

Date: September 05, 2019

To The Manager, Listing Department, National Stock Exchange of India Limited, (NSE) Exchange Plaza, C-1, Block-G, Bandra - Kurla Complex, Bandra (E), Mumbai-400 051.	To The Manager, The Department of Corporate Service, BSE Limited, (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001.
Scrip Code-LINCOLN	Scrip Code-531633

Dear Sir / Madam,

SUB: INTIMATION OF 25TH ANNUAL GENERAL MEETING OF THE COMPANY

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We would like to inform you that 25th Annual General Meeting scheduled to be held on Monday, September 30, 2019 at the Registered Office of the Company at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad - 380 060, Gujarat. We are enclosing herewith Notice of 25th Annual General Meeting of the Company along with Annual Report for the F.Y. 2018-2019 of the Company.

We request you to kindly take the above information on your record.

Thanking you,

Yours faithfully,

FOR LINCOLN PHARMACEUTICALS LIMITED

MAHEN
DRABHAI
G PATEL
Digitally signed
by
MAHENDRABHAI
G PATEL
Date: 2019.09.05
14:48:41 +05'30'

MAHENDRA G. PATEL
MANAGING DIRECTOR
DIN: 00104706

Encl: a/a

Standing tall with commitment
Healthcare for All



25th ANNUAL REPORT
2018-2019



Our INNOVATIVE PRODUCTS

PROLIN

Micronized Progesterone 12.5% w/v Spray

DOMITM up

Ondansetron Hydrochloride 2 mg Oral Spray

NAM COLD[®]-Z

Paracetamol 125 mg + Phenylephrine 5 mg + Chlorpheniramine maleate 1 mg + Sodium Citrate 60 mg + Menthol 1 mg / 5 ml Syrup

Pa12^{PROGLETS}

1000 mg Programmed Release Paracetamol

VivianTMGEL

Diclofenac Diethylamine 1.16% w/w + Linseed Oil 3.0% w/w + Methyl Salicylate 10% w/w + Menthol 5.0% w/w

CHARGE UPTM

(11 Antioxidants + 33 Essential Micronutrients + 5 Amino acids)

NAM *SAFE* Suspension

Paracetamol 125 mg + Mefenamic Acid 50 mg/ 15 ml Suspension

NAM *SAFE-FORTE*

Mefenamic Acid 100 mg + Paracetamol 250 mg Suspension

NAM COLD FX

Fexofenadine 30 mg, Phenylephrine 2.5 mg/5 ml Suspension

NAM COLD[®] NS

Sodium Chloride 0.65 % w/v Nasal Drops

TinnexTM

Caroverine 20 mg Capsules
Caroverine 160 mg/8 ml Injection

LUTHER AQUA

α - β Arteether 150 mg/ml Injection

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Mr Kishor M. Shah - Chairman
2. Mr Mahendra G. Patel - Managing Director
3. Mr Hashmukh I. Patel - Whole Time Director
4. Mr Munjal M. Patel - Whole Time Director
5. Mr Ashish R. Patel - Whole Time Director
6. Mr Rajnikant G. Patel - Director
7. Mr Arvind G. Patel - Director
8. Mr Ishwarlal A. Patel - Independent Director
9. Mr Pirabhai R. Suthar - Independent Director
10. Ms Meha Patel - Independent Director
11. Mr Saurin J. Parikh - Independent Director

CHIEF FINANCIAL OFFICER

Mr Darshit A. Shah
[From March 28, 2019]

COMPANY SECRETARY

Mr Bhavik P. Parikh

AUDITORS

1. **M/s. J. T. Shah & Co.**
Chartered Accountants,
[Statutory Auditor]
2. **M/s. Kiran J. Mehta & Co.**
Cost Accountants
[Cost Auditor]
3. **M/s. Vishwas Sharma & Associates**
Practicing Company Secretary
[Secretarial Auditor]

BANKER

State Bank of India
Yes Bank

CORPORATE IDENTITY NUMBER (CIN)

L24230GJ1995PLC024288

ISIN

INE405C01035

REGISTERED OFFICE

“LINCOLN HOUSE”, Behind Satyam Complex,
Science City Road, Sola, Ahmedabad-380060.
Ph. No.: +91-79-4107-8000,
Fax: +91-79-4107-8062,
Email ID: info@lincolnpharma.com,
Website: www.lincolnpharma.com.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

LINK INTIME INDIA PRIVATE LIMITED
5th Floor, 506-508, Amarnath Business Centre-1,
Beside Gala Business Centre, Near St. Xavier’s Collage Corner,
Off C. G. Road, Navrangpura, Ahmedabad-380009.
Ph. No.: +91-79-30002684 / +91-79-26465179
Email ID: ahmedabad@linkintime.co.in

PLANT

10,12,13, Trimul Estate, At. Khatraj, Ta-Kalol,
District-Gandhinagar, Gujarat.
Ph. No.: +91-79-4913-5000
Email ID: khatraj@lincolnpharma.com

25 th Annual General Meeting	
Day:	Monday
Date:	September 30, 2019
Time	10:30 A.M.
Venue:	“LINCOLN HOUSE”, Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.

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LINCOLN NOTICE

NOTICE is hereby given that the 25th Annual General Meeting (AGM) of the members of **Lincoln Pharmaceuticals Limited** ('the Company') will be held on **Monday, the 30th day of September, 2019 at 10:30 a.m.** at the Registered Office of the Company at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060 to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company including the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash flow for the year ended on that date along with reports of the Board of Directors and the Auditors thereon.
2. To Declare Dividend on Equity shares of the Company for the Financial Year 2018-19.
3. To appoint a Director in place of Mr Kishor M. Shah [DIN: 02769085], who retires by rotation and being eligible offers himself for re-appointment
4. To appoint a Director in place of Mr Ashish R. Patel [DIN: 01309017], who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESSES:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:-**

RESOLVED THAT pursuant to provisions of Sections, 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for Re-Appointment of Mr Mahendra G. Patel [DIN: 00104706] as a Managing Director of the Company, for further period of 3 (Three) years commencing from October 1, 2019, on such terms and conditions as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT consent of the members be and is hereby also accorded for payment of remuneration in excess of the limits as prescribed under Regulation 17 (6) (e) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to Mr Mahendra G. Patel as per the terms of his appointment as mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Mr Mahendra G. Patel, as minimum remuneration and the same shall be subject to the limits as set out under provision of the Act and as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to revise from time to time during the tenure of the appointment of Mr Mahendra G. Patel, the remuneration payable to him subject to overall limits laid down in Section 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:-**

RESOLVED THAT pursuant to provisions of Sections 196, 197, Schedule V and other applicable provisions, of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for Re-Appointment of Mr Hashmukh I. Patel [DIN: 00104834] as a Whole Time Director of the Company, for further period of 3 (Three) years commencing from October 1, 2019, on such terms and conditions as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT consent of the members be and is hereby also accorded for payment of remuneration in excess of the limits as prescribed under Regulation 17 (6) (e) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to Mr Hashmukh I. Patel as per the terms of his appointment as mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Mr Hashmukh I. Patel, as minimum remuneration and the same shall be subject to the limits as set out under provision of the Act and as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to revise from time to time during the tenure of the appointment of Mr Hashmukh I. Patel, the remuneration payable to him subject to overall limits laid down in Section 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:-**

RESOLVED THAT pursuant to provisions of Sections 196, 197, Schedule V and other applicable provisions, of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for Re-Appointment of Mr Munjal M. Patel [DIN: 02319308] as the Whole Time Director of the Company, for further period of 3 (Three) years commencing from November 14, 2019, on such terms and conditions as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT consent of the members be and is hereby also accorded for payment of remuneration in excess of the limits as prescribed under Regulation 17 (6) (e) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to Mr Munjal M. Patel as per the terms of his appointment as mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Mr Munjal M. Patel, as minimum remuneration and the same shall be subject to the limits as set out under provision of the Act and as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to revise from time to time during the tenure of the appointment of Mr Munjal M. Patel, the remuneration payable to him subject to overall limits laid down in Section 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:-**

RESOLVED THAT pursuant to provisions of Sections 196, 197, Schedule V and other applicable provisions, of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for the proposed Re-Appointment of Mr Ashish R. Patel [DIN: 01309017] as the Whole Time Director of the Company, for further period of 3 (Three) years commencing from November 14, 2019, on such terms and conditions as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT consent of the members be and is hereby also accorded for payment of remuneration in excess of the limits as prescribed under Regulation 17 (6) (e) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to Mr Ashish R. Patel as per the terms of his appointment as mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Mr Ashish R. Patel, as minimum remuneration and the same shall be subject to the limits as set out under provision of the Act and as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to revise from time to time during the tenure of the appointment of Mr Ashish R. Patel, the remuneration payable to him subject to overall limits laid down in Section 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:-**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provision of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Meha Patel [DIN: 07254852], Independent Director of the Company being eligible for re-appointment for further period of five consecutive years with effect from August 04, 2020, not liable to retire by rotation.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.



10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:-

RESOLVED THAT pursuant to provisions of section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the consent of the members be and is hereby accorded to ratify the payment of remuneration of ₹ 1,50,000 (Rupees One Lakh Fifty Thousand Only) p.a. plus out of pocket expense to M/s. Kiran J. Mehta & Co., Cost Accountants [FRN: 000025], Ahmedabad for conducting the Audit of the cost records relating to the products manufactured by the Company for the Financial Year Ending on March 31, 2020.

**By Order of the Board
For Lincoln Pharmaceuticals Limited**

**B. P. Parikh
Company Secretary
Membership No. A40719**

Ahmedabad, August 14, 2019

Regd. Office:

"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad-380060.
CIN: L24230GJ1995PLC024288
Tel: +91-79-4107-8000, Fax: +91-79-4107-8062
E-mail: info@lincolnpharma.com,
Website: www.lincolnpharma.com.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING MAY APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such member may appoint a single person as proxy and such proxy shall not act as a proxy for any other person or member.

A Proxy form is annexed to this Notice. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting.

Any unstamped or inadequately stamped Proxy Forms or Proxy Forms upon which the stamps have not been cancelled will be treated as invalid.

2. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 (the "Act") in respect of special business of the Company is appended and forms part of the Notice.
3. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 21, 2019 to Monday, September 30, 2019 (both days inclusive) in connection with the Annual General Meeting and for the purpose of determining the eligibility of the shareholders entitled for payment of dividend, if any.
4. Since the resolutions as set out in the notice are being conducted through E-Voting also, the said resolutions will not be decided on a show of hands at the Annual General Meeting (AGM).
5. Corporate Members intending to send their authorised representatives(s) to attend the Annual General Meeting in terms of Section 113 of the Act, are requested to send a certified copy of the Board Resolution together with their respective specimen signatures authorising their representative (s) to the Company, authorizing the representative to attend and vote on their behalf at the meeting.
6. Members / Proxies/ Authorised Representatives are requested to bring their duly filled in Attendance Slip enclosed with annual report along with their copy of the annual report to the Meeting. All documents in connection with the accompanying Notice will be available for inspection at the Registered Office of the Company on all working days of the Company between 11:00 a.m. and 2:00 p.m. up to the date of the AGM. Members while visiting Registered Office for inspection are requested to carry a valid identity proof such as PAN Card, Passport, Aadhaar Card or Driving License for identification.
7. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. With the said change coming into effect from April 1, 2019, Equity Shares of the Company shall be eligible for transfer only in Dematerialized form. Therefore, the Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
8. Members holding shares in physical form are requested to promptly notify in writing any change in their address, details relating to nomination, E-Mail address etc. to Link Intime India Private Limited, Registrar and Share Transfer Agent ("Registrar"). Members holding shares in electronic form are requested to notify the change in above particulars directly to their Depository Participant(s).
9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their self-attested PAN to their Depository Participants with

whom they are maintaining their demat accounts. Members holding shares in physical form can submit their self-attested PAN details to the Company / Registrar.

10. Final Dividend as recommended by the Board of Directors, if approved at the Annual General Meeting, will be paid within statutory time limit of 30 days.

In order to enable the Company to directly credit the dividend amount in the bank accounts:

- a) Shareholders holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants.
- b) Shareholders holding shares in physical form are requested to provide the following details along with an authorisation letter allowing the Company to directly credit the dividend in their bank accounts:

Name of first account holder (as appearing in the bank account records), Bank name, branch name, branch address, Account type and account number, IFSC code and MICR code and a copy of cancelled cheque.

11. Members are encouraged to use the Electronic Clearing Services (ECS) for receiving dividends. Members are requested to provide bank account details to the Registrar / Company.
12. Members are requested to note that pursuant to the provisions of Section 125 of the Act, the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government. The unclaimed dividend for the financial year 2011-2012 due hereby transferred to IEPF in this financial year. Members who have so far not claimed the dividends declared for any subsequent financial year(s) are requested to make claim with the Company / Registrar immediately.
13. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2019 on the website of the Company (www.lincolnpharma.com).
14. Further, pursuant to the provisions of Section 124(5) and (6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, all equity shares, on which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred by the Company to the demat account of the IEPF Authority.

The Company has accordingly, transferred below mention equity shares to IEPF Authority. Details of shares transferred to IEPF Authority are available on the website of the Company. (www.lincolnpharma.com)

- A. 18,867 Equity Shares of the shareholders whose dividend had remained outstanding for a period of seven consecutive years from 2009-10 to 2015-2016 on December 06, 2017 and
- B. 8,179 Equity Shares of the shareholders whose dividend had remained outstanding for a period of seven consecutive years from 2010-11 to 2016-2017 on December 03, 2018
15. The Members / claimants whose shares, unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on iepf.gov.in). The Member / Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules and amendments thereto.
16. It is in the interest of Members to claim any un-encashed dividends and for future, opt for National Electronic Clearance System (NECS) / National Automated Clearing House (NACH), so that dividends paid by the Company are credited to the investor's account on time.
17. In accordance with the provisions of the Act, read with relevant rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Annual Report along with the Notice of Annual General Meeting for the Financial Year 2018-19 are being sent by Email Address to those Members who have registered their Email Address with the Company / Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For those Members who have not registered their Email Address, the physical copy of the Annual Report 2018-2019 along with Notice are being sent in the permitted mode as per the Act.

The Annual Report along with Notice of Annual General Meeting of the Company for the Financial Year 2018-2019 will also be available on the website of the Company at www.lincolnpharma.com for download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making the request for the same. For any communication, the shareholders may send requests to the following investor E-Mail at investor@lincolnpharma.com.

Members who have not registered their email addresses so far are requested to register them for receiving all communication including Annual Report and other Notices from the Company electronically.

18. A Route Map showing directions to reach to the venue of the AGM is annexed as per the requirement of the Secretarial Standards - 2 on "General Meetings."
19. Members desiring any information as regards the Accounts are requested to write to the Company at least 7 working days before the meeting so as to enable the Management to keep the information ready at the time of meeting.
20. Voting Options
 - a) **Voting through electronic means:**

In compliance with provisions of section 108 of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Listing Regulations, the Company is pleased to provide its members the facility

of 'Remote E-Voting' to exercise their right to vote at the 25th Annual General Meeting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide E-Voting. The E-Voting facility is available at the link www.evotingindia.com

The facility for voting, through ballot paper, shall be made available at the venue of AGM and the members attending the AGM who have not cast their votes by Remote E-Voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by Remote E-Voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again. The instructions for E-Voting are as under:

INSTRUCTIONS FOR VOTING:

The Remote E-Voting period commences on Friday, September 27, 2019 [10:00 a.m.] and Ends on Sunday, September 29, 2019 [5:00 p.m.]. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2019 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.

Members are requested to follow the below mentioned instructions to cast their vote through Remote E-Voting:

- A. The shareholders should log on to the E-Voting website www.evotingindia.com.
- B. Click on Shareholders.
- C. Now Enter your User ID
 - I. For CDSL : 16 digits beneficiary ID,
 - II. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - III. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- D. Next enter the Image Verification as displayed and Click on Login.
- E. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- F. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- G. After entering these details appropriately, click on "SUBMIT" tab.
- H. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for E-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- I. For Members holding shares in physical form, the details can be used only for E-Voting on the resolutions contained in this Notice.
- J. Click on the EVSN of "LINCOLN PHARMACEUTICALS LIMITED" on which you choose to vote.
- K. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- L. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- M. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- N. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- O. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- P. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Q. Shareholders can also use Mobile app - “m - Voting” for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- R. Note for Non-Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- S. In case you have any queries or issues regarding E-Voting, you may refer the Frequently Asked Questions (“FAQs”) and E-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- T. Once you have cast your vote, you cannot modify or vote on poll at the AGM. However, you may attend the meeting and participate in the discussions, if any.

b) Voting at AGM:

The Chairman shall at the AGM, at the end of the discussion on the resolutions, on which voting is to be held, allow voting with the assistance of Scrutinizer, by the use of ballot Paper for all the Members who are present at the AGM but have not cast their vote by availing the Remote E-Voting facility. Ballot Papers are attached with this Annual Report.

21. Other Instructions:

- A. The Board of Directors has appointed Mr Umesh Parikh (C. P. 2413) Proprietor of M/s. Umesh Parikh & Associates, Practising Company Secretaries to act as the Scrutinizer, to scrutinize the Remote E-Voting process and voting process at AGM in a fair and transparent manner.
- B. The Scrutinizer shall, immediately after the conclusion of poll at the meeting, would count the votes cast at the meeting and thereafter unblock the votes cast through Remote E-Voting in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or any person authorised by him, who shall counter sign the same.
- C. The voting results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.lincolnpharma.com and on the website of CDSL i.e. www.evotingindia.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited (BSE) and NSE Limited (NSE), where the equity shares of the Company are listed.
- D. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of Remote E-Voting and poll process at the venue of the meeting. Any person who has ceased to be the Member of the Company as on the cut-off date will not be entitled for Remote E-Voting or voting at the Annual General Meeting and should treat this Notice for information purpose only.
- E. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for E-Voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for Remote E-Voting then you can use your existing User ID and password for casting your vote.
- F. Mr Dushyant Nayak, In-charge Shares & Securities of the Company shall be responsible for addressing all the grievances in relation to 25th Annual General Meeting including Remote E-Voting related queries. His contact details are Email: investor@lincolnpharma.com, Ph. No.: +91-79-4107-8000/81. Address: “LINCOLN HOUSE”, Behind Satyam Complex Science City Road, Sola, Ahmedabad-380060.

CONTACT DETAILS:

Name of Company	Lincoln Pharmaceuticals Limited
Registrar and Transfer Agent (RTA)	Link Intime India Private Limited 5 th Floors, 506-508, Amarnath Business Centre-1, Beside Gala Business Centre, Near St. Xavier’s Collage Corner, Off C. G. Road, Navrangpura, Ahmedabad-380009. Ph. No.: +91-79-2646-5179/3000-2684, Email ID: ahmedabad@linkintime.co.in . Website: www.linkintime.co.in
E-Voting Agency	Central Depository Services (India) Limited Email ID: helpdesk.evoting@cdslindia.com
Scrutinizer	Mr Umesh G. Parikh (Proprietor of M/s. Umesh Parikh & Associates), Practicing Company Secretary, Email ID: evoting@parikhdave.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 5:

Mr Mahendra G. Patel is one of the pioneer in building the Company and under his leadership the Company has been able to reach the current position and have enhance the value of the Company many-folds. He is acting as the Managing Director of the Company for over a period of more than 2 decades.

He is having very rich and varied experience of more than 40 years in the Pharma Industry. Presently, he is responsible for Corporate Planning, Export Business, legal and financial affairs of the Company.

During his tenure as the Managing Director of the Company he has continuously contributed to a great extent in the growth of the Company. Considering several aspects, and on the recommendation from the Nomination and Remuneration committee, the Board of Directors has considered it appropriate and advisable to re-appoint him as a Managing Director for a further period of three years with effect from October 1, 2019 on the below mentioned terms and conditions.

A. SALARY: Basic Salary not exceeding ₹ 90 Lakhs per annum, with an annual increment not exceeding 15% of the last salary drawn.

The annual increments to be decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the said maximum limit.

In addition to (A) above, he shall be entitled to the commission / incentive of upto 2% of Net profits of the Company for each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013 (the "Act").

B. PERQUISITES:

In addition to the salary as described in (A) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified herein above:

- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- iii. Encashment of leave at the end of the tenure.

C. He will be entitled to all other benefits as applicable to the senior executives of the Company.

D. For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.

E. He shall not be liable to retire by rotation

In case of absence or inadequacy of profits in any financial year of the Company during his term, he will be entitled to salary, perquisites and other allowances mentioned above as the minimum remuneration, subject to the maximum limits prescribed or amended in future from time to time under the provisions of the Act, Rules thereunder and Schedule thereof as well as under any other statutory provisions as applicable to the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), and Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, applicable w.e.f. April 01, 2019 the re-appointment of and payment of remuneration to Managing Director requires the approval of the Shareholders in General Meeting by way of special resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Mr Mahendra G. Patel will be of immense value and will be in the interest of the Company. Your Directors therefore recommend the resolution as embodied in the notice to be passed with or without modifications as Special Resolution.

Except Mr Mahendra G. Patel, being an appointee, Mr Rajnikant G. Patel, Mr Arvind G. Patel, Directors and Mr Munjal M. Patel, Whole Time Director being relatives, none of the other Directors, Key Managerial personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

A. *General Information: "Annexure-A" after Item No. 8 of Explanatory Statements.

B. Information about the appointee:

1. **Background details:** Mr Mahendra G. Patel is a Law Graduate from Gujarat University. He has been a Director of the Company since its incorporation. He has more than 40 years of experience in Pharma Industry.
2. **Past Remuneration:** Mr Mahendra G. Patel drew an aggregate remuneration of ₹ 18.57 Lakhs per annum plus perquisites, allowances, commission and bonus during his term.
3. **Recognition and awards:** Nil.
4. **Job profile and his suitability:** Mr Mahendra G. Patel, Managing Director of the Company is overall in-charge of the business of the Company. He mainly involved in the corporate planning, Export business, legal and financial aspects of the Company, policy decisions, formulations of strategies and other related matters.

5. **Remuneration proposed:** As mentioned in Explanatory Statement.
 6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Considering the size of the Company, the industry benchmarks, experience and the responsibilities shouldered by the appointee, the proposed remuneration payable to him is commensurate with the remuneration paid to similar appointee in other companies.
 7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Except for the proposed remuneration Mr Mahendra G. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company except to the extent of his Shareholding in the Company.
- C. ****Other information:** "Annexure-A" after Item No. 8 of Explanatory Statements.

Item No. 6:

Mr Hashmukh I. Patel is a Science Graduate and is having rich and varied experience of more than three decades in the Pharma Industry. Presently, he is responsible for entire gamut of domestic marketing as well as the entire sales distribution system of the Company.

During his tenure as the Whole Time Director of the Company he has continuously contributed to a great extent in the growth of the Company. Considering several aspects and on the recommendation from the Nomination and Remuneration committee, the Board of Directors consider it appropriate and advisable to re-appoint him as a Whole Time Director for a further period of three years with effect from October 1, 2019 on the below mentioned terms and conditions:

- A. **SALARY:** Basic Salary not exceeding ₹ 90 Lakhs per annum, with an annual increment not exceeding 15% of the last salary drawn.
- The annual increments to be decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the said maximum limit.
- In addition to (A) above, he shall be entitled to the commission / incentive of upto 2% of Net profits of the Company for each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013 (the "Act").
- B. **PERQUISITES:**
- In addition to the salary as described in (A) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified herein above:
- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
 - iii. Encashment of leave at the end of the tenure.
- C. He will be entitled to all other benefits as applicable to the senior executives of the Company.
- D. For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.
- E. He shall be liable to retire by rotation.

In case of absence or inadequacy of profits in any financial year of the Company during his term, he will be entitled to salary, perquisites and other allowances mentioned above as the minimum remuneration, subject to the maximum limits prescribed or amended in future from time to time under the provisions of the Act, Rules thereunder and Schedule thereof as well as under any other statutory provisions as applicable to the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), and Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, applicable w.e.f. April 01, 2019 the re-appointment of and payment of remuneration to Whole Time Director requires the approval of the Shareholders in General Meeting by way of special resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Mr Hashmukh I. Patel will be of immense value and will be in the interest of the Company. Your Directors therefore recommend the resolution as embodied in the notice to be passed with or without modifications as Special Resolution.

Except Mr Hashmukh I. Patel, being an appointee none of the other Directors, Key Managerial personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

**Statement containing information required to be given as per item (iv) of third proviso of
Section II of Part II of Schedule V to the Companies Act, 2013.**

- A. ***General Information:** "Annexure-A" after Item No. 8 of Explanatory Statements.
- B. **Information about the appointee:**
1. **Background details:** Mr Hashmukh I. Patel is a Science Graduate from Gujarat University. He has been a Director of the Company since its incorporation. He has more than three decades of experience in Pharma Industry.
 2. **Past Remuneration:** Mr Hashmukh I. Patel drew an aggregate remuneration of ₹ 23.74 Lakhs per annum plus perquisites, allowances, commission and bonus during his term.
 3. **Recognition and awards:** Nil.

4. **Job profile and his suitability:** Mr Hashmukh I. Patel is the Whole Time Director and responsible for managing the entire gamut of domestic marketing as well as the entire sales distribution system of the Company. His experience and knowledge has helped the Company to a great extent.
 5. **Remuneration proposed:** As mentioned in Explanatory Statement.
 6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Considering the size of the Company, the industry benchmarks, experience and the responsibilities shouldered by the appointee, the proposed remuneration payable to him is commensurate with the remuneration paid to similar appointee in other companies.
 7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Except for the proposed remuneration Mr Hashmukh I. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company except to the extent of his Shareholding in the Company.
- C. ****Other information:** "Annexure-A" after Item No. 8 of Explanatory Statements.

Item No. 7:

Mr Munjal M. Patel holds Master Degree in Finance from USA and Diploma in Investment & Financial Analysis brings immense knowledge and experience of the global Financial Services Sector. He is mainly responsible for International Trade and Financial Matters. He handles International Operations, formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.

During his tenure as the Whole Time Director of the Company he has continuously contributed to a great extent in the growth of the Company. Considering several aspects and on the recommendation from the Nomination and Remuneration committee, the Board of Directors consider it appropriate and advisable to re-appoint him as a Whole Time Director for a further period of three years with effect from August 14, 2019 on the below mentioned terms and conditions:

- A. SALARY:** Basic Salary not exceeding ₹ 90 Lakhs per annum, with an annual increment not exceeding 15% of the last salary drawn.
- The annual increments to be decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the said maximum limit.
- In addition to (A) above, he shall be entitled to the commission / incentive of upto 2% of Net profits of the Company for each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013 (the "Act").
- B. PERQUISITES**
- In addition to the salary as described in (A) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified herein above:
- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
 - iii. Encashment of leave at the end of the tenure.
- C.** He will be entitled to all other benefits as applicable to the senior executives of the Company.
- D.** For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.
- E.** He shall be liable to retire by rotation.

In case of absence or inadequacy of profits in any financial year of the Company during his term, he will be entitled to salary, perquisites and other allowances mentioned above as the minimum remuneration, subject to the maximum limits prescribed or amended in future from time to time under the provisions of the Act, Rules thereunder and Schedule thereof as well as under any other statutory provisions as applicable to the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), and Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, applicable w.e.f. April 01, 2019 the re-appointment of and payment of remuneration to Whole Time Director requires the approval of the Shareholders in General Meeting by way of special resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Mr Munjal M. Patel will be of immense value and will be in the interest of the Company. Your Directors therefore recommend the resolution as embodied in the notice to be passed with or without modifications as Special Resolution.

Except Mr Munjal M. Patel, being an appointee and Mr Mahendra G. Patel, Managing Director being relatives, none of the other Directors, Key Managerial personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

**Statement containing information required to be given as per item (iv) of third proviso of
Section II of Part II of Schedule V to the Companies Act, 2013.**

- A. *General Information:** "Annexure-A" after Item No. 8 of Explanatory Statements.

B. Information about the appointee:

1. **Background details:** Mr Munjal M. Patel has obtained Master Degree of Finance (USA). He has rich experience of Pharma Industry.
2. **Past Remuneration:** Mr Munjal M. Patel drew an aggregate remuneration of ₹ 20.70 Lakhs per annum plus perquisites, allowances, commission and bonus during his term.
3. **Recognition and awards:** Nil.
4. **Job profile and his suitability:** Mr Munjal M. Patel is the Whole Time Director and responsible for International Trade and financial matters. He handles International Operations, formulation of strategies, policy decisions, etc.
5. **Remuneration proposed:** As mentioned in Explanatory Statement.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Considering the size of the Company, the industry benchmarks, experience and the responsibilities shouldered by the appointee, the proposed remuneration payable to him is commensurate with the remuneration paid to similar appointee in other companies.
7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Except for the proposed remuneration Mr Munjal M. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company except to the extent of his Shareholding in the Company.

C. **Other information: "Annexure-A" after Item No. 8 of Explanatory Statements.
Item No. 8:

Mr Ashish R. Patel holds Master Degree in Marketing from UK. He possesses immense knowledge in the area of marketing. He is mainly responsible for Marketing Operation of the Company. He handles Sales Operation, formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.

During his tenure as the Whole Time Director of the Company he has continuously contributed to a great extent in the growth of the Company. Considering several aspects and on the recommendation from the Nomination and Remuneration committee, the Board of Directors consider it appropriate and advisable to re-appoint him as a Whole Time Director for a further period of three years with effect from August 14, 2019 on the below mentioned terms and conditions:

A. SALARY: Basic Salary not exceeding ₹ 90 Lakhs per annum, with an annual increment not exceeding 15% of the last salary drawn.

The annual increments to be decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the said maximum limit.

In addition to (A) above, he shall be entitled to the commission / incentive of upto 2% of Net profits of the Company for each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013 (the "Act").

B. PERQUISITES:

In addition to the salary as described in (A) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified herein above:

- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- iii. Encashment of leave at the end of the tenure.

C. He will be entitled to all other benefits as applicable to the senior executives of the Company.
D. For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.
E. He shall be liable to retire by rotation

In case of absence or inadequacy of profits in any financial year of the Company during his term, he will be entitled to salary, perquisites and other allowances mentioned above as the minimum remuneration, subject to the maximum limits prescribed or amended in future from time to time under the provisions of the Act, Rules thereunder and Schedule thereof as well as under any other statutory provisions as applicable to the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), and Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, applicable w.e.f. April 01, 2019 the re-appointment of and payment of remuneration to Whole Time Director requires the approval of the Shareholders in General Meeting by way of special resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Mr Ashish R. Patel will be of immense value and will be in the interest of the Company. Your Directors therefore recommend the resolution as embodied in the notice to be passed with or without modifications as Special Resolution.

Except Mr Ashish R. Patel, being an appointee and Mr Rajnikant G. Patel, Director being relatives, none of the other Directors, Key Managerial personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

**Statement containing information required to be given as per item (iv) of third proviso of
Section II of Part II of Schedule V to the Companies Act, 2013.**

- A. *General Information:** “Annexure-A” after Item No. 8 of Explanatory Statements.
- B. Information about the appointee:**
- Background details:** Mr Ashish R. Patel is an MBA in Marketing from UK. He has rich experience of Pharma Industry.
 - Past Remuneration:** Mr Ashish R. Patel drew an aggregate remuneration of ₹ 33.50 Lakhs per annum plus perquisites, allowances, commission and bonus during his term.
 - Recognition and awards:** Nil.
 - Job profile and his suitability:** Mr Ashish R. Patel is the Whole Time Director and responsible for Marketing Operation of the Company. He handles Sales Operation, formulation of strategies, policy decisions, etc.
 - Remuneration proposed:** As mentioned in Explanatory Statement.
 - Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Considering the size of the Company, the industry benchmarks, experience and the responsibilities shouldered by the appointee, the proposed remuneration payable to him is commensurate with the remuneration paid to similar appointee in other companies.
 - Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Except for the proposed remuneration Mr Ashish R. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company except to the extent of his Shareholding in the Company.
- C. **Other information:** “Annexure-A” after Item No. 8 of Explanatory Statements.

“Annexure – A” to Explanatory Statements

- A. *General Information:**
- Nature of Industry:** Pharmaceutical Industry
 - Date of commencement of Commercial Production:** The commercial operations have already begun by the Company.
 - In case of new companies, expected date of commencement of activities as per object approved by financial institutions appearing in the prospectus:** N.A.
 - Financial performance based on given indicators:**

[₹ in Lakhs]

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Turnover	35,304.25	32,551.19
Profit before Tax	5,814.22	4,309.80
Profit after Tax	4,663.71	3,275.65

- 5. Foreign investments or collaborations, if any:** N.A.
- C. **Other Information:**
- The Company is engaged in the business of manufacturing and selling of Pharmaceutical products and its products are very well accepted in the local as well as international market. The Company commenced its operations in the year 1995, since then the Company has grown leaps and bound.
- Presently the Company is putting more thrust on product development, research and development of new products and expanding the business overseas and for the said purposes the Company is spending heavily and hence the profits of the Company are inadequate in terms of Section 198 of the Act for the purpose of calculating the payment of remuneration.
- The Company has taken steps to curb the expenses on the aggressive advertisements overseas expansion and other overheads. This will help the Company in increasing its profits in future.

Item No. 9:

Ms Meha Patel [DIN: 07254852] was appointed as an Independent Director as per Section 149 and other applicable provisions of Companies Act, 2013 (the “Act”) at the Board Meeting held on August 4, 2015 for a period of 5 consecutive years till August 03, 2020. The Company had received from her requisite consent, intimation and a declaration that she meets the criteria of Independence as provided under Section 149(6) of the Act, read with the relevant Rules framed thereunder and is eligible for re-appointment as an Independent Director on passing of Special resolution by the Company. Requisite notice as required under section 160 of the Act, Proposing her appointment of Independent Director has been received by the company.

Based on the performance evaluation, positive attributes, expertise, independence, and on recommendation of Nomination and Remuneration Committee the re-appointment of Ms Meha Patel as an Independent Director is proposed by the Board to the members in terms of Section 149 read with Schedule IV of the Act and provisions of Listing Regulations.

In view of the above your Directors recommends passing of the proposed special resolution.

Except Ms Meha Patel, being an appointee, none of the other Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution.

Item No. 10:

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s. Kiran J. Mehta & Co., Cost Accountants [FRN No.: 000025], Ahmedabad to conduct the audit of cost records relating to the products, manufactured by the Company for the Financial Year ending on March 31, 2020 at a remuneration as mentioned in the resolution attached to the Notice.

As per the provisions of section 148 (3) of the Act read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014, the remuneration fixed by the Board of Directors is to be ratified by the Members of the Company.

Accordingly, consent of the Members of the Company is sought for ratification of remuneration payable to the Cost Auditors for the Financial Year ending on March 31, 2020.

Your Directors recommend passing of the proposed resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution.

**By Order of the Board
For Lincoln Pharmaceuticals Limited**

**B. P. Parikh
Company Secretary
Membership No. A40719**

Ahmedabad, August 14, 2019

Regd. Office:

"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad-380060.
CIN: L24230GJ1995PLC024288
Tel: +91-79-4107-8000, Fax: +91-79-4107-8062
E-mail: info@lincolnpharma.com,
Website: www.lincolnpharma.com.

Profile of the directors being appointed / re-appointed at the ensuing AGM

Particulars of the Directors seeking appointment/re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 (SS-2)

Name of Directors	Mr Mahendra G. Patel	Mr Hashmukh I. Patel	Mr Munjal M. Patel
DIN	00104706	00104834	02319308
Date of Birth	January 26, 1954	December 08, 1958	June 26, 1982
Date of Appointment on the Board	January 20, 1995	January 20, 1995	November 14, 2014
Qualifications	B.A., LL.B	B. Sc.	MBA-Finance (USA), PGDIFA, B. Com
Total Remuneration last drawn	₹ 18.57 Lakhs p.a.	₹ 23.74 Lakhs p.a.	₹ 20.70 Lakhs p.a.
Nature of expertise in specific functional areas	Corporate Planning, Legal & Financial Matters	Marketing & Sales	International Trade & Financial Matters
Relationship with other Directors, Manager and other Key Managerial Personnel	Mr Mahendra G. Patel is father of Mr Munjal M. Patel WTD and brother of Mr Arvind G. Patel & Mr Rajnikant G. Patel, Directors	None	Mr Munjal M. Patel is Son of Mr Mahendra G. Patel, MD.
Directorship held in other Public Companies	Kapashi Commercial Limited	None	1. Karnavati Distributors Limited 2. Kapashi Commercial Limited
Chairmanship / Membership of Committee in other Companies, if any	None	None	None
No. of Shares held in the Company as on March 31, 2019	5,01,500	3,73,600	8,15,500

Name of Directors	Mr Ashish R. Patel	Ms Meha Patel	Mr Kishor M. Shah
DIN	01309017	07254852	02769085
Date of Birth	May 12, 1981	June 28, 1990	March 04, 1944
Date of Appointment on the Board	November 14, 2014	August 04, 2015	August 16, 1995
Qualifications	M.B.A – Marketing (U.K),	M.B.B.S	Matriculate
Total Remuneration last drawn	₹ 33.50 Lakhs p.a.	Nil	Nil
Nature of expertise in specific functional areas	Marketing & Sales	R & D	International marketing
Relationship with other Directors, Manager and other Key Managerial Personnel	Mr Ashish R. Patel is Son of Mr Rajnikant G. Patel, Director.	None	None
Directorship held in other Public Companies	None	None	None
Chairmanship / Membership of Committee in other Companies, if any	None	None	None
No. of Shares held in the Company as on March 31, 2019	5,29,802	Nil	4,78,400

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 25th Annual Report on the business and operations of **Lincoln Pharmaceuticals Limited** together with Audited Financial Statements for the Financial Year Ended on March 31, 2019.

FINANCIAL PERFORMANCE:

A summary of the Company's Standalone Financial Results for the Financial Year 2018-19 is as under:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Revenue from Operations	35,304.25	32,551.19
Other income	657.54	580.38
Profit before Depreciation and Taxation	6,306.14	4,749.73
less: Depreciation	491.91	439.93
Profit before Taxation	5,814.23	4,309.80
Less: Tax Expenses	1,150.51	1,034.15
Profit After Tax for the year	4,663.71	3,275.65
Other Comprehensive Income	4.34	9.20
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income]	4,668.05	3,284.85

STATE OF COMPANY'S AFFAIRS/OPERATIONS:

During the year, the revenue of the Company was ₹ 35,304.25 Lakhs as against ₹ 32,551.19 Lakhs in the previous year. The Profit after Tax has increased to ₹ 4,663.71 Lakhs as against profit after tax of ₹ 3,275.65 Lakhs in previous year representing growth rate of 42.38% during the Financial Year 2018-19. Detailed operational working of the Company is provided in the Management Discussion and Analysis Report annexed to this Boards' Report as **(Annexure – H)**.

DIVIDEND AND RESERVES:

Your Directors recommend a Dividend of ₹ 1.50 per Equity Share of Face Value of ₹ 10/- Each (i.e. 15%) for the Year Ended March 31, 2019 [Previous Year ₹ 1.50 per Equity Share (i.e. 15%)]. This is subject to approval of the Members at the ensuing Annual General Meeting.

During the year under review, your Company has transferred a sum of ₹ 50.00 Lakhs to the General Reserve out of the amount available for appropriation for the Year Ended March 31, 2019 [Previous Year transferred a sum of ₹ 50.00 Lakhs].

SHARE CAPITAL:

The Paid-up Share Capital of the Company as on March 31, 2019 is ₹ 20,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹ 10/- each fully paid up.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

1. Appointment / Re-Appointment:

Mr Kishor M. Shah and Mr Ashish R. Patel, Directors of the Company retire by rotation and are eligible to offer themselves for re-appointment.

During the year under review Mr Rajnikant G. Patel has ceased to be the Jt. Managing Director of the Company w.e.f. June 08, 2018, however he continues to act as a Director of the Company.

2. Key Managerial Personnel:

During the year under review, The Board of Directors has been appointed Mr Darshit A. Shah as Chief Financial Officer [CFO] of the Company w.e.f. March 28, 2019. Apart from the said change there is no other change in the Key Managerial personnel of the Company during the year under review.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Independent Directors have submitted declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

PERFORMANCE EVALUATION OF THE BOARD AS WHOLE, COMMITTEE AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of the Act and Rules framed thereunder read with the Listing Regulations, the Board has evaluated its own performance, the performance of its committees and Individual Directors including the Chairman taking into consideration the criteria of evaluation laid down by the Nomination and Remuneration Committee in its policy such as Board Composition, level of involvement, performance of duties, attendance etc. and the Directors have expressed their satisfaction with the evaluation process and its outcome.

The performance evaluation of the Chairman and Non-Independent Directors was also carried out by the Independent Directors.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

The Information on Operational and Financial Performance etc. is provided under the Management Discussion and Analysis Report, which is an integral part of this Report.

CHANGE(S) IN THE NATURE OF BUSINESS:

During the year under review, there has been no change in the nature of business of the Company.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Pursuant to the requirements of Section 134 and 178 (3) of the Act, the Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members which is forming part of Corporate Governance Report attached to this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 (3) (c) of the Act:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on March 31, 2019 and of the Profit of the Company for the year under review;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF MEETINGS OF THE BOARD:

The details of the number of meetings of the Board of Directors held during the Financial Year 2018-19 and the attendance of the Directors are forming part of Corporate Governance Report attached to this Report.

DISCLOSURE ON THE COMPLIANCE OF SECRETARIAL STANDARDS:

The Directors confirm to the best of their knowledge and belief that the Company has complied with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board of Directors of the Company are responsible for ensuring that Internal Financial Controls have been laid down in the Company and such controls are adequate and operating effectively.

The Company has adopted internal control system considering the nature of its business and the size and complexity of operations. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures etc. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your company's operations.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments which have occurred from the end of the financial year till the date of this report affecting the financial position of the Company.

DEPOSITS:

During the year under review, the Company has not accepted deposits within the meaning of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The Company has not provided any guarantee or provided any security during the year under review. The details of the loans given is annexed to this Board's Report (**Annexure-F**). The details of the investments made by the Company is forming part of the financial statement for the financial year 2018-2019.

SUBSIDIARY COMPANIES:

As per the provisions of Section 129 of the Act, read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the Financial Statements of the Subsidiary Companies/Associate Companies/Joint Ventures in Form AOC-1 is annexed to this Board's Report (**Annexure – A**).

The Audited Financial Statements of Subsidiaries are available on the website of the Company www.lincolnpharma.com and the same are available for inspection by members at Registered Office of the Company during business hours on working days and the Company will also make available these documents upon written request by any Member of the Company interested in obtaining the same.

INSURANCE:

The properties and assets of the Company are adequately insured.

RISK MANAGEMENT POLICY:

The Board of Directors of the Company has formulated a risk management policy and has a well-defined framework which monitors the risk mitigation plan for the Company. It identifies key risk areas, periodically reviews the risk management plan and ensures its effectiveness. The audit committee is also looking after the area of financial risks and controls.

At present, in the opinion of the Board there is no identification of Risk element that may threaten the existence of the Company.

RELATED PARTY TRANSACTIONS:

During the year under review, all the transactions entered with Related Parties were on arm's length basis and in the ordinary course of business.

As there were no materially significant Related Party Transactions entered with the Related Parties which may have potential conflict with the interest of the Company at large, hence, reporting in Form-AOC-2 is not required.

The Board has approved and adopted Policy on Related Party Transactions; the same has been uploaded on the website of the Company i.e. www.lincolnpharma.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Corporate Social Responsibility reflects the strong commitment of the Company to improve the quality of life of society at large. The Company believes in undertaking business in a way that will lead to the overall development of all stakeholders and society.

The Company has continued on spending in projects like Eradicating Hunger, Preventive Healthcare, Women Empowerment, Girls Education, etc. which is in accordance with the provisions of Schedule VII of the Act and the CSR Policy of the Company.

The report on Corporate Social Responsibility Activities along with the annexure as per the Rule (8) of The Companies (Corporate Social Responsibility policies) Rules 2014 is annexed to this Board's Report (**Annexure – B**).

HUMAN RESOURCES DEVELOPMENT:

The Company believes that the employees of the Company are the real foundation on which the success of the Company depends. It is always proactive with respect to the human resource development activities. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee orientation programmes which has helped the Organization to achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to provisions of Section 177 (9) of the Act, read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of Listing Regulations, the Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors, Employees or business associates for reporting the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code etc. to the Chairman of the Audit Committee. The Policy also provides for adequate safeguard against victimization of the Directors' / Employees who avail the services of said mechanism. The said Policy is available on the Website of the Company, www.lincolnpharma.com.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy aims the protection of the women employees at work place and providing the safe working environment where women feels secure.

The Company regularly conducts awareness programmes for its employees and the Company has not received any complaint so far in connection with the sexual harassment.

PARTICULARS OF EMPLOYEES:

The information as required under the provisions of Section 197 of the Act, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 is annexed to this Board's Report (Annexure – G).

The statement containing particulars of employees as required under section 197 of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employee's particulars which is available for inspection by members at the registered office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

MAINTENANCE OF COST RECORDS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148 OF THE COMPANIES ACT, 2013:

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) (Amendment) Rules, 2014, the cost audit records maintained by the Company in respect of drug and pharmaceuticals products of the Company are required to be audited by a Cost Accountant. The audit report of the Cost Accountant of the Company for the Financial Year Ended March 31, 2019 will be submitted to the relevant authority in due course.

REPORTING OF FRAUDS:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and rules framed there under either to the Company or to the Central Government.

AUDITORS:**1. STATUTORY AUDITORS:**

The Company's Statutory Auditors, M/s. J. T. Shah & Co., Chartered Accountants [FRN: 109616W], were appointed as the Statutory Auditors of the Company for a period of 5 years from the 23rd Annual General Meeting to the conclusion of the 28th Annual General Meeting of the Company

Accordingly, M/s. J. T. Shah & Co., Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of 28th Annual General Meeting. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141 of the Act.

There are no qualifications, reservations or adverse remarks in the Audit Report of M/s. J. T. Shah & Co., Statutory Auditors for the Financial Year Ended March 31, 2019.

2. COST AUDITORS:

Pursuant to the provisions of Section 148 (3) of the Act, read with the Companies [Cost Records and Audit] Rules, 2014 as amended from time to time, The Board of Directors, on the recommendation of the Audit Committee, have appointed M/s Kiran J. Mehta & Co., Cost Accountants, [FRN: 000025] as Cost Auditor of the Company to audit the Cost Records for the Financial Year 2019-2020. As required under the Act, a resolution seeking members' approval for the ratification of remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

3. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr Vishwas Sharma, Proprietor of M/s. Vishwas Sharma & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2018-2019. The Secretarial Audit Report is annexed to this Board's Report (Annexure – C).

With regard to the remarks in Secretarial Audit Report in MR-3:- The Company has appointed Chief Financial Officer on March 28, 2019.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this Board's Report (Annexure – D).

EXTRACT OF ANNUAL RETURN:

The Extracts of Annual Return in the prescribed Form MGT-9 as required under Section 92 (3) of the Act, read with Rule 12 of the Companies [Management and Administration] Rules, 2014, is annexed to this Board's Report (Annexure – E).

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:

As per Regulation 34 read with Schedule V of the Listing Regulations, a separate report on corporate governance and Management Discussion and Analysis Report is annexed to this Board's Report (**Annexure – H**).

AUDIT COMMITTEE:

The Company has an Audit Committee pursuant to the requirements of the Act read with the rules framed thereunder and Listing Regulations. The details relating to the same are given in the report on Corporate Governance forming part of this Report.

SIGNIFICANT OR MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed during the year by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

ACKNOWLEDGEMENT:

We express our sincere appreciation and thank our valued Shareholders, Customers, Bankers, Business Partners/Associates, Financial Institutions and Central and State Government Departments for their continued support and encouragement to the Company.

We are pleased to record our appreciation of the sincere and dedicated services of the employees and workmen at all levels.

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

**M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706**

**H. I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834**

AHMEDABAD, MAY 30, 2019

ANNEXURE 'A' TO DIRECTORS' REPORT

FORM AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of subsidiaries

PART "A": Subsidiaries

(₹ In Lakhs)

Particulars	Details	Details	Details
Name of the Subsidiaries	Zullinc Healthcare LLP (Wholly-Owned Subsidiary Company)	Lincoln Parenteral Limited (Subsidiary Company)	Savebux Enterprise Private Limited [Formerly known as Savebux Finance & Investments Private Limited (Wholly-Owned Subsidiary Company)]
The date since when subsidiary was acquired.	October 16, 2008	December 06, 2011	October 09, 2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2018 To March 31, 2019	April 01, 2018 To March 31, 2019	April 01, 2018 To March 31, 2019
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
Share Capital / Partners Contribution	5.00	1000.00	200.00
Reserves and Surplus	0.00	1342.22	5.06
Total Assets	1,618.21	5448.06	216.08
Total Liabilities	1,613.21	3105.84	11.02
Investments	0.00	0.22	0.00
Turnover	348.75	5,086.92	12.22
Profit Before Taxation	14.99	393.06	3.66
Provision for Taxation	4.17	189.87	1.02
Profit After Taxation	10.82	203.19	2.64
Proposed Dividend	NIL	NIL	NIL
% of shareholding	100%	98.58%	100%

Notes:

- There is no subsidiary which is yet to commence its operation.
- There is no subsidiary which has been liquidated or sold during the year.

The amounts given in the table above are from the annual accounts made for the respective Financial Year end for each of the company.

Part "B": Associates and Joint Venture – None

As per our report of even date attached herewith
In terms of our report attached.

For J. T. Shah & Co.

Chartered Accountants
(Firm Regd. No. 109616W)

(J. T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : May 30, 2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M. G. Patel (Managing Director) (DIN : 00104706)

H. I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad
Date : May 30, 2019

ANNEXURE 'B' TO DIRECTORS' REPORT
REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects/programs/activities, excluding activities in its normal course of business. The policy is duly approved by the Board of Directors.

1. Details of the CSR policy are available on website of the company.

<https://www.lincolnpharma.com/wp-content/uploads/2014/11/Corporate-Social-Responsibility-Policy.pdf>

2. Composition of the CSR Committee:

As on the date of this report, CSR Committee consists of 3 (three) Directors as its Members with one Independent Director in the Committee.

- Mr Mahendra G. Patel - Managing Director & Member
- Mr Rajnikant G. Patel - Jt. Managing Director & Member [Upto May 30, 2019]
- Mr Ishwarlal A. Patel - Independent Director & Member
- Mr Munjal M. Patel - Whole Time Director & Member [From May 30, 2019]

3. Average net profit of the Company for last three Financial Years:

Average Net Profit: ₹ 3,688.90 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

Company is required to spend ₹ 73.78 Lakhs towards CSR.

5. Details of CSR spend during the Financial Year:

a. Total amount spent for the Financial Year : ₹ 75.61 Lakhs

b. Amount unspent, if any : NIL

c. Manner in which the amount spent during the Financial Year is detailed below:

(₹ In Lakhs)

SN	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through Implementing agency
1.	Contribution for Providing education to the poor children	Promoting Education	At: Shertha, State: Gujarat	2.12	2.12	2.12	Shree Saraswati Kanya Kelavni Mandal & Shertha Kelavani Mandal
2.			At: Ahmedabad, State: Gujarat	0.36	0.36	2.48	Smile Foundation
3.			At: Ahmedabad, State: Gujarat	1.50	1.50	3.98	Dr. Jit Mehta Balshala Trust
4.			At: Kadi, State: Gujarat	1.51	1.51	5.49	Shree Someswar Ashram Trust
5.	Contribution for Providing rehabilitation facility to the blind people and the Cancer Patients.	Promoting healthcare	At: Ahmedabad, State: Gujarat	0.11	0.11	5.60	Blind People's Association
6.	Contribution for providing hygienic food to poor children	Eradicating hunger and malnutrition	At: Ahmedabad, State: Gujarat	0.30	0.30	5.90	The Akshaya Patra Foundation

SN	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through Implementing agency
7.	Contribution towards conducting health awareness programme, providing free medicines, education in Rural Society, empowering Women, eradicating hunger and preventive healthcare and sanitation	Promoting Education, Preventive Healthcare and sanitation, Empowering Women	At: Ahmedabad, Kadi, State: Gujarat	52.81	52.81	58.71	Through Registered Trust- Shardaben Gulabdas Patel Public Charitable Trust
8.			At: Ahmedabad, State: Gujarat	1.00	1.00	59.71	Menaba Charitable Trust
9.	Contribution towards Measures for the benefit of armed forces veterans, war widows and their dependents;	Measures for the benefit of armed forces veterans, war widows and their dependents;	At: New Delhi	4.90	4.90	64.61	India's Brave Hearts
10.	Contribution for Rural Development	Rural Development Projects State: Gujarat	At: Kadi,	11.00	11.00	75.61	Pandit Dindayal Upadhyay Rashtrostan Samiti Kadi

6. In case company has failed to spend the two per cent of the average net profit of the last three Financial Years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company:

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY
(Approved by the Board of Directors on November 14, 2014)

Lincoln Pharmaceuticals Limited, as a good corporate citizen, has adopted CSR as strategic tool for sustainable growth and has decided to contribute to the development of the communities as a whole. In doing so the Company aims at building a better, sustainable way of life for the weaker sections of society. The focus areas in which LPL plans to work includes Education, Health care and Environmental Sustainability. The objectives of the Company for the above activities are as follows:-

- Education:** Our endeavour is to spark the desire for learning and enlighten minds. We may undertake to fulfill this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, undertaking to impart vocational training, adult education programs, girl education, other related infrastructure etc.
- Health care:** Our goal is to render quality health care facilities which we may provide by way of undertaking preventive healthcare programs by way of including but not limited to setting various camps and related infrastructure services, providing of sanitation and making available safe drinking water, etc.
- Environmental Sustainability:** We aim at providing livelihood in an environmentally sustainable manner. For addressing this objective we may undertake afforestation, planting of trees, maintain public garden, playground cleanliness and such other like programs, activities towards maintaining ecological balance, quality of soil, air and water, conservation of natural resources, etc.

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

M. G. PATEL
MANAGING DIRECTOR &
MEMBER OF CSR COMMITTEE
DIN: 00104706

H. I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD, MAY 30, 2019

ANNEXURE 'C' TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members

LINCOLN PHARMACEUTICALS LIMITED

Ahmedabad.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lincoln Pharmaceuticals Limited [CIN: L24230GJ1995PLC024288] (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the company during the audit period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the company during the audit period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the company during the audit period);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the audit period);

I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances of other specific applicable Acts, Laws and Regulations to the Company as mentioned hereunder;

- a) Pharmacy Act, 1948
- b) Drugs and Cosmetics Act, 1940
- c) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- d) Drugs Price Control Order, 2013
- e) Food Safety and Standards Act, 2006
- f) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- g) The Factories Act, 1948
- h) The Minimum Wages Act, 1948, and rules made there under
- i) Payment of Gratuity Act, 1972
- j) Payment of Bonus Act, 1965



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I have also examined compliance with the applicable Clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except appointment of Chief Financial Officer (CFO) as per section 203 of the Companies Act, 2013 during the year, however the Company has appointed CFO on March 28, 2019.*

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board takes decision by majority of directors while the dissenting directors' views are captured and recorded as part of the minutes.

I further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

I further report that there were no other instances of:

- a. Rights/debentures/sweat equity.
- b. Redemption/buy-back of securities.
- c. Merger/ amalgamation etc.
- d. Foreign technical collaborations.

**FOR VISHWAS SHARMA & ASSOCIATES
COMPANY SECRETARIES**

**VISHWAS SHARMA
PROPRIETOR**

M. NO.: 33017 CP NO: 16942

AHMEDABAD, MAY 30, 2019

Note: This report is to be read with my letter of even date which is annexed as Annexure herewith and forms and integral part of this report.

Annexure to Secretarial Audit Report

To,

The Members

LINCOLN PHARMACEUTICALS LIMITED

Ahmedabad.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR VISHWAS SHARMA & ASSOCIATES
COMPANY SECRETARIES**

**VISHWAS SHARMA
PROPRIETOR**

M. NO.: 33017 CP NO: 16942

AHMEDABAD, MAY 30, 2019

ANNEXURE 'D' TO DIRECTORS' REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. TECHNOLOGY ABSORPTION:

(A) Conservation of energy-		
(i)	the steps taken or impact on conservation of energy;	The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	The Company endeavors in using the alternative source of energy so as to save the natural source of energy to an extent as much as possible. As an alternative the Company has installed wind turbines which is used as alternative renewable source of energy in near future.
(iii)	the capital investment on energy conservation equipments	The Company continuously endeavors to discover usages on new technologies and tools to save the energy and reduce consumption.
(B) Technology absorption-		
(i)	the efforts made towards technology absorption;	Company has always been making best effort towards technology absorption, adaptation and innovation to improve the quality of production.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	It improves the quality of company's products being manufactured and reduces the cost of production.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year:-	N.A

iv. The Expenditure incurred on Research and Development:

(₹ In Lakhs)

SN	Particulars	2018-2019	2017-2018
1.	Capital Expenditure	453.96	358.52
2.	Revenue Expenditure	1027.25	808.10
3.	Total	1481.21	1166.62
4.	Total R&D expenditure as a percentage of total turnover	4.20%	3.58%

B. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(₹ In Lakhs)

SN	Particulars	2018-2019	2017-2018
1.	Foreign Exchange Earned	19,743.34	12,246.75
2.	Outgo of Foreign Exchange	505.25	719.48

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706

H. I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD, MAY 30, 2019

ANNEXURE 'E' TO DIRECTORS' REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS

CIN	L24230GJ1995PLC024288
Registration Date:	January 20, 1995
Name of the Company:	Lincoln Pharmaceuticals Limited
Category/Sub-category of the Company:	1 Public Company 2 Company Limited By Share 3 Indian Non-government Company
Address of the Registered Office and Contact Details:	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad - 380 060. Ph. No.: +91-79-4107-8000, Fax No.: +91-79-4107-8062. Email ID: info@lincolnpharma.com Website: www.lincolnpharma.com
Whether Listed Company:	Yes
Name, Address and contact details of Registrar and Share Transfer Agent (RTA), if any:	LINK INTIME INDIA PRIVATE LIMITED 5 th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's collage corner, Off C. G. Road, Navrangpura, Ahmedabad - 380 009. Ph. No.: +91-79-2646 5179/3000 2684, Email ID: ahmedabad@linkintime.co.in

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SN	Name and Description of main products	NIC Code of the Product	% to total turnover of the company
1.	Pharmaceutical products	2100*	100%

* As per the National Industrial Classification (NIC-2008).

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN / LLPIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Savebux Enterprise Private Limited [Formerly Known as Savebux Finance & Investment Private Limited "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	U24100GJ2017PTC099389	Subsidiary	100%	2(87)
2.	Zullinc Healthcare LLP "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	AAF-5934	Subsidiary	100%	2(87)
3.	Lincoln Parenteral Limited "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	U24231GJ1991PLC015674	Subsidiary	98.58%	2 (87)

4. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				*No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	5,337,879	-	5,337,879	26.69	5,387,779	-	5,387,779	26.94	0.25
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,091,100	-	1,091,100	5.46	1,091,100	-	1,091,100	5.46	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (1):-	6,428,979	-	6,428,979	32.14	6,478,879	-	6,478,879	32.39	0.25
2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	6,428,979	-	6,428,979	32.14	6,478,879	-	6,478,879	32.39	0.25
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	12,405	-	12,405	0.06	47,587	-	47,587	0.24	0.18
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs/FPI	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
(i) IEPF	18,867	-	18,867	0.09	27,046	-	27,046	0.14	0.04
(ii) Alternate Investment Funds	-	-	-	-	17,500	-	17,500	0.09	0.09
Sub-total(B)(1):-	31,272	-	31,272	0.16	92,133	-	92,133	0.46	0.30
2. Non- Institutions									
a) Bodies Corp.	2,964,062	-	2,964,062	14.82	2,760,154	-	2,760,154	13.80	-1.02
b) Individuals									
I. Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,119,832	163,710	4,283,542	21.42	4,063,576	145,010	4,208,586	21.04	(0.37)
II. Individual shareholders holding nominal share capital in excess of ₹1 lakh	5,051,837	0	5,051,837	25.26	4,957,437	-	4,957,437	24.79	-0.47
c) Others									
a) NRI	871,496	-	871,496	4.36	815,851	-	815,851	4.08	(0.28)
b) Clearing Member	153,463	-	153,463	0.77	146,097	-	146,097	0.73	(0.04)
c) HUF	215,349	-	215,349	1.08	533,622	-	533,622	2.67	1.59
d) Trust	-	-	-	-	200	-	200	0.00	0.00
e) NBFCs registered with RBI	-	-	-	-	7,041	-	7,041	0.04	0.04
Sub-total(B)(2):-	13,376,039	163,710	13,539,749	67.70	13,283,978	145,010	13,428,988	67.14	-0.55
Total Public Shareholding (B)=(B)(1)+ (B)(2)	13,407,311	163,710	13,571,021	67.86	13,376,111	145,010	13,521,121	67.61	-0.25
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19,836,290	163,710	20,000,000	100.00	19,854,990	145,010	20,000,000	100.00	-

ii. Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ashish Rajanibhai Patel	529,802	2.65	-	529,802	2.65	-	0.00
2	Amar Arvindbhai Patel	60,000	0.30	-	60,000	0.30	-	0.00
3	Anand Arvinbhai Patel	132,000	0.66	-	132,000	0.66	-	0.00
4	Arvindbhai Gulabdas Patel	111,000	0.56	-	111,000	0.56	-	0.00
5	Bhagirathbhai Tribhovanbhai Patel	22,850	0.11	-	22,850	0.11	-	0.00
6	Dharmistaben Hashmukhbhai Patel	65,003	0.33	-	65,003	0.33	-	0.00
7	Dharmistaben Bhagirathbhai Patel	125,100	0.63	-	125,000	0.63	-	0.00
8	Hansaben Arvindbhai Patel	117,200	0.59	-	117,200	0.59	-	0.00
9	Hashmukhbhai Ishwarlal Patel	373,600	1.87	-	373,600	1.87	-	0.00
10	Ishwarbhai Ambalal Patel	50,400	0.25	-	50,400	0.25	-	0.00
11	Jigar Hasmukhbhai Patel	51,200	0.26	-	51,200	0.26	-	0.00
12	Kailashben Mahendrabhai Patel	80,000	0.40	-	330,000	1.65	-	1.25
13	Kalpanaben Rajnibhai Patel	293,100	1.47	-	293,100	1.47	-	0.00
14	Mahendrabhai Gulabdas Patel	301,500	1.51	-	501,500	2.51	-	1.00
15	Manguben I Patel	92,600	0.46	-	92,600	0.46	-	0.00
16	Mansi Munjal Patel	800,000	4.00	-	200,000	1.00	-	-3.00
17	Meenaben Yogeshbhai Patel	129	0.00	-	129	0.00	-	0.00
18	Mihirbhai Vithalbhai Patel	88,730	0.44	-	88,730	0.44	-	0.00
19	Munjal Mahendrabhai Patel	615,500	3.08	-	815,500	4.08	-	1.00
20	Nidhi Mahendrabhai Patel	54,000	0.27	-	54,000	0.27	-	0.00
21	Patel Aniruddh Hasmukhbhai	51,200	0.26	-	51,200	0.26	-	0.00
22	Patel Nishitkumar Maheshbhai	181,900	0.91	-	181,900	0.91	-	0.00
23	Patel Siddharth Rajnibhai	420,001	2.10	-	420,001	2.10	-	0.00
24	Rajnibhai Gulabdas Patel	305,400	1.53	-	305,400	1.53	-	0.00
25	Renukaben Maheshbhai Patel	173,400	0.87	-	173,400	0.87	-	0.00
26	Shardaben Gulabdas Patel	31,400	0.16	-	31,400	0.16	-	0.00
27	Shivani B. Shah	202,000	1.01	-	202,000	1.01	-	0.00
28	Yogeshkumar Ishwerlal Patel	8,864	0.04	-	8,864	0.04	-	0.00
29	Downtown Finance Pvt. Ltd.	106,000	0.53	-	106,000	0.53	-	0.00
30	Downtown Travels LLP	475,000	2.38	-	475,000	2.38	-	0.00
31	Karnavati Distributors Ltd.	10,100	0.05	-	10,100	0.05	-	0.00
32	Sunmed Corporation LLP	500,000	2.50	-	500,000	2.50	-	0.00

iii. Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mahendrabhai Gulabdas Patel				
	At the beginning of the year	301,500	1.51	301,500	1.51
	Date wise changes during the year				
	March 25, 2019-Inter-Se Transfer	200,000	1.00	501,500	2.51
	At the End of the year	501,500	2.51	501,500	2.51
2	Munjal Mahendrabhai Patel				
	At the beginning of the year	615,500	3.08	615,500	3.08
	Date wise changes during the year				
	March 25, 2019-Inter-Se Transfer	200,000	1.00	815,500	4.08
	At the End of the year	815,500	4.08	815,500	4.08
3	Kailashben Mahendrabhai Patel				
	At the beginning of the year	80,000	0.40	80,000	0.40
	Date wise changes during the year				
	June 08, 2018-Purchase	50,000	0.25	130,000	0.65
	March 25, 2019-Inter-Se Transfer	200,000	1.00	330,000	1.65
	At the End of the year	330,000	1.65	330,000	1.65
4	Mansi Munjal Patel				
	At the beginning of the year	800,000	4.00	800,000	4.00
	Date wise changes during the year				
	March 25, 2019-Inter-Se Transfer	(600,000)	(3.00)	200,000	1.00
	At the End of the year	200,000	1.00	200,000	1.00
5	Dharmisthaben Bhagirathbhai Patel				
	At the beginning of the year	125,100	0.63	125,100	0.63
	Date wise changes during the year				
	March 29, 2019-Sale	(100)	(0.00)	125,000	0.63
	At the End of the year	125,000	0.63	125,000	0.63

**iv. Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Digital Biotech Private Limited				
	At the beginning of the year	1,400,000	7.00	1,400,000	7.00
	Date wise changes during the year	NIL			
	At the End of the year	1,400,000	7.00	1,400,000	7.00
2	Kishor M. Shah				
	At the beginning of the year	478,400	2.39	478,400	2.39
	Date wise changes during the year	NIL			
	At the End of the year	478,400	2.39	478,400	2.39

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Piyush J. Patel				
	At the beginning of the year	437,700	2.19	437,700	2.19
	Date wise changes during the year	NIL			
	At the End of the year	437,700	2.19	437,700	2.19
4	Haresh A. Patel				
	At the beginning of the year	413,000	2.07	413,000	2.07
	Date wise changes during the year	NIL			
	At the End of the year	413,000	2.07	413,000	2.07
5	Sanjay G. Amin				
	At the beginning of the year	412,700	2.06	412,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	412,700	2.06	412,700	2.06
6	Sonali S. Patel				
	At the beginning of the year	412,700	2.06	412,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	412,700	2.06	412,700	2.06
7	Kamlesh J. Patel				
	At the beginning of the year	412,700	2.06	412,700	2.06
	Date wise changes during the year				
	June 01, 2018-Purchase	700	0.01	700	0.01
	At the End of the year	413,400	2.07	413,400	2.07
8	Kaushal N. Patel				
	At the beginning of the year	412,700	2.06	412,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	412,700	2.06	412,700	2.06
9	Sharad K. Shah				
	At the beginning of the year	300,000	1.50	300,000	1.50
	Date wise changes during the year	NIL			
	At the End of the year	300,000	1.50	300,000	1.50
10	Vraj Dyes and Drugs Private Limited				
	At the beginning of the year	218,911	1.09	218,911	1.09
	Date wise changes during the year	NIL			
	At the End of the year	218,911	1.09	218,911	1.09

v. Shareholding of Directors and Key Managerial Personnel:

SN	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mahendra G. Patel				
	At the beginning of the year	301,500	1.51	301,500	1.51
	Date wise changes during the year				
	March 25, 2019-Inter-Se Transfer	200,000	1.00	501,500	2.51
	At the End of the year	501,500	2.51	501,500	2.51
2	Rajnikant G. Patel				
	At the beginning of the year	305,400	1.53	305,400	1.53
	Date wise changes during the year	NIL			
	At the End of the year	305,400	1.53	305,400	1.53

SN	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Hashmukh I. Patel				
	At the beginning of the year	373,600	1.87	373,600	1.87
	Date wise changes during the year	NIL			
	At the End of the year	373,600	1.87	373,600	1.87
4	Munjal M. Patel				
	At the beginning of the year	615,500	3.08	615,500	3.08
	Date wise changes during the year				
	March 25, 2019-Inter-Se Transfer	200,000	1.00	815,500	4.08
	At the End of the year	815,500	4.08	815,500	4.08
5	Ashish R. Patel				
	At the beginning of the year	529,802	2.65	529,802	2.65
	Date wise changes during the year	NIL			
	At the End of the year	529,802	2.65	529,802	2.65
6	Arvind G. Patel				
	At the beginning of the year	111,000	0.56	111,000	0.56
	Date wise changes during the year	NIL			
	At the End of the year	111,000	0.56	111,000	0.56
7	Ishwarlal A. Patel				
	At the beginning of the year	50,400	0.25	50,400	0.25
	Date wise changes during the year	NIL			
	At the End of the year	50,400	0.25	50,400	0.25
8	Pirabhai R. Suthar				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-
9	Meha M. Patel				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-
10	Kishor M. Shah				
	At the beginning of the year	478,400	2.39	478,400	2.39
	Date wise changes during the year	NIL			
	At the End of the year	478,400	2.39	478,400	2.39
11	Saurin J. Parikh				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-
11	Bhavik Parikh				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-
12	Darshit A. Shah				
	At the beginning of the year	1	0.00	1	0.00
	Date wise changes during the year	NIL			
	At the End of the year	1	0.00	1	0.00


5) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	4,936.18	531.79	-	5,467.97
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,936.18	531.79	-	5,467.97
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	(2,289.19)	(0.21)	-	(2,289.40)
Net Change- Addition/ (Reduction)	(2,289.19)	(0.21)	-	(2,289.40)
Indebtedness at the end of the Financial Year				
i. Principal Amount	2,646.99	531.58	-	3,178.57
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,646.99	531.58	-	3,178.57

6) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.
A. Remuneration to Managing Director, Whole Time Directors and/or Manager:

(₹ In Lakhs)

SN	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		Mahendra G. Patel – MD	Hashmukh I. Patel – WTD	Ashish R. Patel – WTD	Munjal M. Patel – WTD	
1.	Gross salary	18.28	23.45	33.21	20.41	95.35
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0.29	0.29	0.29	0.29	1.16
	(c) Profits in lieu of salary under section 17 (3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	18.57	23.74	33.50	20.70	96.51
	Ceiling as per the Act	₹ 438.37 (Not Exceeding 10% of the net profits of the Company calculated as per Section 198 of the Act)				

B. Remuneration To Other Directors:

SN	Particulars of Remuneration	Name of Directors	Total Amount
		Rajnikant G. Patel - Director	
1	Independent Directors		
	Fee for attending board / committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (1)	-	-
2	Other Non-Executive Directors		
	Fee for attending board / committee meetings	-	-
	Commission	-	-
	Others-Retiral Benefits (Gratuity)	12.81	12.81
	Total (2)	12.81	12.81
	Total (B)=(1+2)	12.81	12.81
	Total Managerial Remuneration	-	109.32
	Ceiling as per the Act	₹ 43.84 (Not Exceeding 1% of the net profits of the Company calculated as per Section 198 of the Act)	

C. Remuneration To Key Managerial Personnel Other than MD/Manager/WTD (₹ In Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Bhavik P. Parikh - Company Secretary	Darshit A. Shah - Chief Financial Officer*	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section17(3) Income-tax Act, 1961	-	1.53	0.56	2.09
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-	-
5.	Others	-	1.24	-	1.24
	TOTAL	-	2.77	0.56	3.33

*Salary is part of the year

7) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made if any (give details)
A.COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B.DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706

H. I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD, MAY 30, 2019

ANNEXURE 'F' TO DIRECTORS' REPORT

Details of loans falling under Section 186 of the Companies Act, 2013:

Sr. No.	Nature of Transaction and Name of Parties	Purpose for which Loan is proposed to be utilized by	₹ in Lakhs
1.	Unsecured Loan		
	1. Lincoln Parenteral Limited	For the respective business of the borrowers	1,567.60
	2. Kanchanbhai Baldevbhai Patel		669.12
	3. Global Park Developers LLP		660.93

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706

H. I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD, MAY 30, 2019

ANNEXURE 'G' TO DIRECTORS' REPORT

DISCLOSURE UNDER SECTION 197 (12) AND RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year ended March 31, 2019;

(₹ In Lakhs)

SN	Name of Directors	Remuneration (per annum)	Ratio
1.	Mr Mahendra G. Patel	18.57	5:1
3.	Mr Hashmukh I. Patel	23.74	6:1
4.	Mr Ashish R. Patel	33.50	9:1
5.	Mr Munjal M. Patel	20.70	6:1

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;

SN	Name of Directors	Designation	% Increase
1.	Mr Mahendra G. Patel	Managing Director	2.51%
2.	Mr Hashmukh I. Patel	Whole Time Director	3.76%
3.	Mr Ashish R. Patel	Whole Time Director	4.34%
4.	Mr Munjal M. Patel	Whole Time Director	3.29%
5.	Mr Darshit A. Shah	Chief Financial Officer	N.A.
6.	Mr Bhavik Parikh	Company Secretary	0.00%

The other Directors are Non-Executive Directors and they are not receiving remuneration and sitting fees during the Financial Year 2018-19.

- iii. The percentage increase in the median remuneration of employees in the Financial Year; 13.27%
- iv. The number of permanent employees on the rolls of company; There were 1,245 employees as on March 31, 2019.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in salaries of employees other than managerial personnel in 2018-19 was 12-14%, Percentage increase in the Managerial Remuneration for the year was 3-5%.

Annual increment in the salary is based on the different grades, industry pattern, qualification, expertise and experience of individual employee.

As such the annual increment in remuneration is as per the terms of appointment and is in conformity with the remuneration policy of the Company.

- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration is as per the remuneration policy of the Company.

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706

H. I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD, MAY 30, 2019

ANNEXURE 'H' TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Corporate Governance is a set of standards, a road map, which guides the Board of Directors ("Board") of the Company in a manner beneficial to all stakeholders and the Regulators. The Company has an active, well-informed board which ensures that the highest standards of Corporate Governance are followed by the Company. The Company believes that good corporate governance is essential for achieving long-term corporate goals and enhancing stakeholder value. The Board and Management of the Company is committed to good corporate governance and plays a critical role in over-viewing how the Company serves the short term and long term interest of stakeholders of the company.

The Company is committed to conducting business in right way, which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. It endeavours to continuously improve its Corporate Governance performance with a view to earn trust and respect of all its stakeholders.

2. BOARD OF DIRECTORS:
A. Composition and Category of Directors:

The Board of Directors of the Company consist of eminent individuals from diverse fields having experience and expertise in their respective fields. The Company is managed by the Board of Directors in co-ordination with Senior Management team of the Company.

As on March 31, 2019, the Company's Board consist of Eleven Directors. The composition of the Board is in conformity with the provisions of Listing Regulations. The Board Comprises of Seven Non-Executive Directors (including Independent Directors) and Four Executive Directors [Promoters].

B. No. of Board Meetings, Attendance at the Board Meetings and the AGM and other Directorship:

During 2018-2019, the Board met five times on May 30, 2018, August 14, 2018, November 14, 2018, February 12, 2019 and March 28, 2019. The necessary quorum was present for all the meetings. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards by the Institute of Company Secretaries of India.

The composition of the Board and their attendance at the Board Meetings during the year and at the Last Annual General Meeting, Number of Other Directorships and Committee Memberships are given as below:

Name of Directors	Date of Appointment	Category of Directorship	No. of Board Meeting attended	#No. of other Committee Member or Chairman	Whether last AGM held on September 29, 2018 attended	*No. of other Directorships
Mr Kishor M. Shah DIN: 02769085	August 16, 1995	Non-Executive Non-Independent [Chairman]	2 out of 5	----	----	----
Mr Mahendra G. Patel DIN: 00104706	January 20, 1995	Executive and Promoter	5 out of 5	----	Yes	Kapashi Commercial Limited – Non-Executive Non-Independent and Promoter
Mr Hashmukh I. Patel DIN: 00104834	January 20, 1995	Executive and Promoter	5 out of 5	----	Yes	----
Mr Ashish R. Patel DIN: 01309017	November 14, 2014	Executive and Promoter	3 out of 5	----	----	----
Mr Munjal M. Patel DIN: 02319308	November 14, 2014	Executive and Promoter	4 out of 5	----	Yes	Kapashi Commercial Limited – Non-Executive Non-Independent and Promoter Karnavati Distributors Limited – Non-Executive Non-Independent and Promoter

Name of Directors	Date of Appointment	Category of Directorship	No. of Board Meeting attended	#No. of other Committee Member or Chairman	Whether last AGM held on September 29, 2018 attended	*No. of other Directorships
Mr Rajnikant G. Patel DIN: 00104786	June 08, 2018	Non-Executive Non-Independent and Promoter	3 out of 5	----	Yes	----
Mr Arvind G. Patel DIN: 00104885	February 03, 1995	Non-Executive Non-Independent and Promoter	2 out of 5	----	----	----
Mr Ishwarlal A. Patel DIN: 00217324	February 03, 1995	Non-Executive Independent	5 out of 5	----	Yes	----
Mr Pirabhai R. Suthar DIN: 00453047	October 30, 1999	Non-Executive Independent	5 out of 5	----	----	----
Ms Meha M. Patel DIN: 07254852	August 04, 2015	Non-Executive Independent	5 out of 5	----	----	----
Mr Saurin J. Parikh DIN: 02136530	March 27, 2018	Non-Executive Independent	5 out of 5	1	----	Pashupati Cotspin Limited – Managing Director

* Excludes Directorships in Private / Foreign and Section 8 Companies.

In Compliance with Regulation 26 of Listing Regulations, Membership / Chairmanship of only Audit Committee and Stakeholders Relationship Committee were considered.

Pursuant to the provisions of Section 165 (1) of the Act, and Regulation 17 of Listing Regulations, none of the Directors holds Directorships in excess of the limits prescribed thereunder. Also, none of the Directors serve as Independent Director in more than seven listed Companies. None of the Director who serves as Whole Time Director in any listed Company serves as Independent Director in more than three Listed Companies.

C. Disclosure of relationships between Directors inter-se:

Except Mr Mahendra G. Patel, Mr Rajnikant G. Patel and Mr Arvind G. Patel, brothers and Mr Munjal M. Patel, Son of Mr Mahendra G. Patel and Mr Ashish R. Patel, Son of Mr Rajnikant G. Patel, none of the other Directors on the Board are related to each other.

D. Shares and Convertible Instruments held by Non-Executive Directors:

The Shares and Convertible Instruments held by the Non-Executive Directors is disclosed under Form MGT-9 annexed to this Boards' Report (Annexure - E).

E. Familiarization Programme for Independent Directors:

In order to enable the Independent Directors to fulfill their role in the Company, the Company keeps them updated by conducting various presentations, imparting information on new initiatives taken by the Company, intimating the changes taking place in the industry scenario etc. The Company has in place a policy on the Familiarization Programme for Independent Directors to make them aware about the details of the Company. The said policy is also uploaded on the website of the Company under the following link: <https://www.lincolnpharma.com/wp-content/uploads/2014/11/Policy-on-Familiarisation-Programme-of-Independent-Directors.pdf>

F. Skills/Expertise/Competence of the Board:

The Board has identified, inter alia, the following core skills/expertise/competencies to ensure the Board's effective composition to discharge its responsibilities and duties required to govern the Company and those actually available with Board:

1. Finance and Management Expertise
2. Sales and Marketing Expertise
3. International /Strategic Planning
4. Technical / Research and Development and Production Expertise
5. General Management and Human Resources
6. Legal and Regulatory Expertise

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief Resume, Qualification Expertise and Experience
Mr Kishor M. Shah, Non-Executive Director, Chairman DIN:02769085	March 04, 1944	August 16, 1995	He is associated with the company since more than two decades. His vision and commitment inspires the Board and the core committees of the Company. He carries immense experience in the area of International marketing and directing projects across diverse industries and magnitudes.
Mr Mahendra G. Patel, Executive Director, DIN: 00104706	January 26, 1954	January 20, 1995	He is a Law Graduate. He is aged about 65 years and is having a Rich and varied experience corporate planning, Under his leadership and Guidance the Company has flourished and has reached the current position. He mainly looks after Export Business, legal and financial matters. He handles corporate planning, formulation of strategies, policy decisions, corporate finance, legal matters etc. His expertise, experience and knowledge has helped the Company to a great extent.
Mr Hashmukh I. Patel, Executive Director, DIN:00104834	December 08, 1958	January 20, 1995	He is a science graduate. He is aged about 62 years and is having a Rich and varied experience in the Pharmaceutical Industry and is managing the entire gamut of domestic marketing as well as the entire sales distribution system of the Company. His experience and knowledge has helped the Company to a great extent.
Mr Munjal M. Patel, Executive Director, DIN: 02319308	June 26, 1982	November 14, 2014	Armed with a degree in Finance from USA and Diploma in investment & Financial Analysis, he is having immense knowledge and great experience of the global Financial Services Sector. He is mainly responsible for International Trade and financial matters. He handles International Operations, formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.
Mr Ashish R. Patel, Executive Director, DIN:01309017	May 12, 1981	November 14, 2014	Armed with a degree in Marketing from U.K. and commerce graduate, he is having immense knowledge and experience in the area of marketing. He mainly looks after Marketing Operation of the Company. He handles Sales Operation, formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.
Mr Rajnikant G. Patel, Non-Executive Director, DIN: 00104786	February 05, 1958	January 20, 1995	He is a B. Pharm. He is aged about 62 years and is having a Rich and varied experience in the Pharma Industry. ... He handles product development, manufacturing and research and development activities of the Company. He has been instrumental in taking the Company to its present position. His expertise, experience and knowledge has helped the Company to a great extent.
Mr Arvind G. Patel, Non-Executive Director, DIN:00104885	September 29, 1950	February 03, 1995	He is B. E. (Electrical) Engineer, aged about 69 years and is associated with Company for more than two decade. His mainly is involved in planning activity and project implementation process. His experience and has helped the company to great extent.
Mr Ishwarlal A. Patel, Independent Director, DIN:00217324	December 28, 1934	February 03, 1995	He is a Commerce graduate. He is aged about 86 years. He was a chairman of the leading co-operative Bank. He possesses immense amount of experience and expertise in the field of finance. He is associated with the Company from its inception and his contribution to the Company has been remarkable.
Mr Pirabhai R. Suthar, Independent Director, DIN:00453047	May 07, 1946	October 30, 1999	He is M.B.B.S., aged about 73 years. He is associated with the Company for over a period of 2 decades. He possesses a very good knowledge of medicine and the formulations / contents of the medicines. His expertise in medicine and experience has helped the Company to a great extent.
Ms Meha M. Patel, Independent Director, DIN:07254852	June 28, 1990	August 04, 2015	She is M.B.B.S., aged about 29 years. She has very good knowledge of medicine and its formulations. Her knowledge related to medicine is instrumental for the growth of the Company.
Mr Saurin J. Parikh, Independent Director, DIN:02136530	September 28, 1971	March 27, 2018	He is aged about 47 years, holds a Bachelor degree of Engineering from the Gujarat University. He is having experience of more than 24 years in the field of manufacturing and export of cotton trade like raw cotton, yarn and its by-products and he has also been instrumental in the areas such as formulation of business policies, strategies, planning and effective implementation of the same. He possesses effective leadership abilities which can lead the Company to achieve success in future.



G. Confirmation by the Independent Directors:

The Independent Directors have confirmed that they fulfil the criteria prescribed under Section 149(6) of the Act, and Regulation 16(1) (b) of the Listing Regulations regarding an Independence of Director. A formal letter of appointment to Independent Directors as provided in the Act, has been issued and disclosed on website of the Company.

A Separate Meeting of the Independent Directors was held on February 12, 2019 under the Chairmanship of Mr Ishwarlal A. Patel, Independent Director, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

H. None of any Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year 2018-2019.

3. Audit Committee:

As required under Section 177 of the Act, read with the provisions of Regulation 18 of Listing Regulations the Board has constituted an Audit Committee. During the year under review the Company has revised the terms of reference of Audit Committee in compliance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ["Listing Regulations (Amendment), 2018"]. The brief terms of reference of the Audit Committee is as under:

A. Brief description of Terms of Reference:

The terms of reference of the Audit Committee are as under:

1. The recommendation for appointment, remuneration and terms of appointment of Auditors of the company.
2. To review and monitor the Auditors' independence, scope, performance and effectiveness of audit process and their reports and discussion on significant findings and follow up thereon
3. To review internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and to review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
4. To review the adequacy of internal control systems, evaluation of internal financial controls and risk management systems and to review the functioning of the Whistle Blower mechanism
5. Scrutiny of loans, advances and investments including review of utilization of loans and / or advances from the investments by the holding Company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary whichever is lower, valuation of undertakings or assets of the company, wherever it is necessary and to approve the transactions of the company with related parties and any subsequent modification thereto
6. To review the quarterly (un-audited) and annual financial statements before the same are submitted to the Board and to oversee the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, adequate and credible
7. To approve payment to statutory auditors for any other services rendered by the statutory auditors and approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate

8. To review with the management of funds, application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board and to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors, if any;

B. Meetings, Composition and attendance:

The Audit Committee met five times during the Year. The maximum time gap between any two meetings was not more than one hundred and twenty days. The Committee met on May 30, 2018, August 14, 2018, November 14, 2018, February 12, 2019 and March 28, 2019 necessary quorum was present at all the meetings. The composition of the Audit Committee and details of attendance of members of the Committee at the meetings are given as under:

Name of the Member	Position	Category	No. of Meetings attended
Mr Ishwarlal A. Patel	Chairman	Independent Director	5 out 5
Mr Pirabhai R. Suthar	Member	Independent Director	5 out 5
Mr Mahendra G. Patel [Upto May 30, 2019]	Member	Executive Director	5 out 5
Mr Munjal M. Patel [From May 30, 2019]	Member	Executive Director	N.A.

- The constitution of the Committee is in accordance with the applicable provisions of the Act and Listing Regulations as amended.
- The Head of Finance and Accounts, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- The Board notes the minutes of the Audit Committee meetings.
- The Chairman of Audit Committee was present at the Last Annual General Meeting held on September 29, 2018.

4. Nomination and Remuneration Committee:

As required under Section 178 (1) of the Act, read with Regulation 19 of Listing Regulations as amended, the Board has constituted the Nomination and Remuneration Committee. During the year the Company has revised the terms of reference of Nomination and Remuneration Committee in compliance with the provisions of the Listing Regulations (Amendment), 2018. The brief terms of reference of the Nomination and Remuneration committee is as under:

A. Brief description of Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
2. Carry on the evaluation of every Director's performance and to recommend to the Board, their appointment and removal ;
3. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director;
4. Recommend to the Board a policy relating to the remuneration of the Executive Directors,
5. To recommend to the Board remuneration payable in all form to senior management.;
6. Undertaking other matters as the Board may refer from time to time.

B. Composition, meetings and attendance:

The Nomination and Remuneration Committee met three times during the Year on May 30, 2018, August 14, 2018 and March 28, 2019, necessary quorum was present at all the meetings. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee. The composition of the Committee and details of attendance of members of the Committee at the meetings are given as under:

Name of the Member	Position	Category	No. of Meetings attended
Mr Ishwarlal A. Patel	Chairman	Independent Director	3 out 3
Mr Pirabhai R. Suthar	Member	Independent Director	3 out 3
Mr Kishor M. Shah [Upto May 30, 2019]	Member	Non-Executive Director	2 out 3
Ms Meha Patel [From May 30, 2019]	Member	Independent Director	N.A.

The composition of the committee is in compliance of the provisions of the Act and Listing Regulations as amended.

C. Performance Evaluation Criteria for Independent Directors:

The performance of the Independent Director is evaluated based on the criteria such as his knowledge, experience, integrity, expertise in any area, number of Board / Committee meetings attended, time devoted to the Company, his participation in

the Board / Committee meetings etc. The Performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Directors, the Director who was subject to the evaluation did not participate.

In the opinion of the board, the independent directors fulfills the conditions of independence as specified in Regulation 16 of Listing Regulations and are independent of the management.

5. Remuneration Policy on Directors' Appointment:

As per Section 178 of the Act, the Nomination and Remuneration Committee recommended the policy relating to the remuneration of Directors, Key Managerial Personnel and other employees which was approved by the Board. The below mentioned is the Appointment and Remuneration policy as adopted by the Board:

A. Criteria determining the qualifications, positive attributes and independence of a Director and Policy for appointment and removal:

INDEPENDENT DIRECTORS:

• Qualifications of Independent Director:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of medical, finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

• Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

• Independence of Independent Directors:

An Independent director should meet the requirements of Section 149, Schedule IV of the Act, and Regulation 16 (1) (b) of Listing Regulations as amended from time to time.

Other Directors And Senior Management:

- I. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment.
- II. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The said Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- III. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years. Moreover any person appointed shall not continue in the Company if the evaluation of his performance is not satisfactory to the said committee.

Rationale for Remuneration Framework:

- I. **Internal Ratios:** The Compensation package for employees at levels lower than Executive Directors should be revised in the form of performance increments, structural improvements and Cost of Living Adjustments at regular intervals. This will lead to a compressing of the compensation differential between the lowest and highest levels of executive management.
- II. **Compliance & Risk Parameters:** In view of company law regulations, the compliance roles of Executive Directors far outweigh that of any other level, and consequently the risk parameters associated with these jobs are of a significantly higher level as compared to the junior levels and accordingly the remuneration should be paid.

B. Remuneration Pattern:

Executive Directors:

Structure: A summary of the structure set is as mentioned below:

Components	Item	Description	Policy
Base Salary	<ul style="list-style-type: none"> Reflects the person's experience, criticality of the role with the Company and the risk factor involved 	<ul style="list-style-type: none"> Consolidated Salary fixed for each financial year This component is also used for paying retiral benefits Paid on a monthly basis 	Normally positioned as the highest as compared to the other components.

Components	Item	Description	Policy
Short-term incentive	<ul style="list-style-type: none"> Based totally on the performance of the Director 	<ul style="list-style-type: none"> Variable component of the remuneration package Paid on an annually basis 	Determined by the Nomination and Remuneration Committee after year-end based on the evaluation of performance against the pre-determined financial and non- financial metrics
Long-term incentive	<ul style="list-style-type: none"> Drive and reward delivery of sustained long-term performance 	<ul style="list-style-type: none"> Variable long-term remuneration component. 	Determined by the Nomination and Remuneration Committee and distributed on the basis of time, level and performance
Retiral Benefits	<ul style="list-style-type: none"> Provide for sustained contribution 	<ul style="list-style-type: none"> Accrues depending on length on service. 	Paid post separation from the Company as per the Rules of the Provident Fund and Gratuity Acts

Key Management Personnel and senior Management and Other Employees:

- “Senior Management” shall mean, all the officers / personnel of the Company involved in the core management team and all the members excluding the Board of Directors of the management that are one level below CEO / MD / WTD / Manager and includes the Chief financial officer and Company Secretary of the Company.
- The remuneration package of the Key Management and Senior Management and Other Employees comprises of:
 - Fixed Remuneration:** This includes a Monthly Salary such as Consolidated Pay, Variable House Rent Allowance, Compensatory Allowance, Utility Allowance, Interest Subsidy on Housing Loans;
 - Annual Allowances:** This consists of Leave Travel Allowance, Medical Reimbursement and House Maintenance Allowance.
 - Retirals:** This includes Provident Fund, Gratuity and Superannuation, if any.

Non-Executive Directors:

The Remuneration to the Non-Executive Directors should be determined as per the provisions of the Act, and related rules framed there under. However the Nomination and Remuneration Committee may from time to time suggest the payment and revision in the same as and when necessary.

C. Remuneration of Directors:

The total remuneration package is designed to provide an appropriate balance between fixed and variable components with focus on Performance Related Pay so that strong performance is incentivized but without encouraging excessive risk.

The Board has approved a policy for Directors Appointment and Remuneration in the meeting held on August 14, 2014. During the year, the Company has revised the nomination and remuneration policy in compliance of the provisions of Listing Regulations (Amendment), 2018 and has been uploaded on the website i.e. www.lincolnpharma.com

- Details of remuneration for the Financial Year 2018-2019 are as given below:** (₹ In Lakhs)

Name	Service Contract / Period	Position held during the Period	Salary and allowances	Perquisites	Total Remuneration
Mr Mahendra G. Patel	3 years w.e.f. October 01, 2016	Managing Director	18.28	0.29	18.57
Mr Hashmukh I. Patel	3 years w.e.f. October 01, 2016	Whole Time Director	23.45	0.29	23.74
Mr Ashish R. Patel	5 years commencing from November 14, 2014	Whole Time Director	33.21	0.29	33.50
Mr Munjal M. Patel	5 years commencing from November 14, 2014	Whole Time Director	20.41	0.29	20.70
Total			95.35	1.16	96.51

- All the Executive Directors have been paid remuneration as per the limits approved by the Board and shareholders of the Company.
- The Company has not paid sitting fees to any Directors of Company.
- Notice Period: The office of the above mentioned Managing Director and Whole Time Directors is terminable by giving six months’ notice in writing by either side.

6. Stakeholders Relationship Committee:

In terms of Section 178 of the Act, read with Regulation 20 of Listing Regulations as amended from time to time, the Stakeholders Relationship Committee of the Company is in place. During the year, Company has revised the terms of reference of Stakeholders Relationship Committee in compliance with the provisions of the Listing Regulations (Amendment), 2018. The brief terms of reference of the Stakeholders Relationship Committee is as under:

A. Brief description of Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are as under:

1. Resolving the grievances of the security holders, including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, non-receipt of new/duplicate certificates, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ Annual Reports/ statutory notices by the shareholders of the Company.

B. Constitution and attendance:

The Stakeholders Relationship Committee met nine times during the Year. The composition of the Committee and details of attendance of members of the Committee at the meetings are given as under:

Name of the Member	Position	Category	No. of Meetings attended
Mr Arvindbhai G. Patel [Upto May 30, 2019]	Chairperson	Non-Executive Director	2 out of 9
Mr Mahendra G. Patel	Member	Executive Director	9 out of 9
Mr Hasmukhl. Patel	Member	Executive Director	9 out of 9
Mr Ishwarlal A. Patel	Member	Independent Director	9 out of 9

The Company Secretary of the Company acts as Secretary to the Committee meeting.

The constitution of the committee is in compliance of the provisions of the Act and Listing Regulations as amended.

C. Summary of Shareholders Complaints during the reporting year:

Number of complaints received	01
Number of Complaints solved	01
Number of Complaints not solved to the satisfaction of Shareholders	---
Number of Pending Complaints	---

Name & Designation of The Compliance officer: Mr Bhavik Parikh, Company Secretary and Compliance officer of the Company.

Contact Details: "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad – 380060.

E mail: cs@lincolnpharma.com

7. Corporate Social Responsibility (CSR) Committee:

As required under Section 135 of the Act, the Board has constituted the Corporate Social Responsibility Committee. The Corporate Social Responsibility committee of the Company is constituted in line with the provisions of Section 135 of the Act, read with Schedule VII of the Act for the purpose of determining the activities to be undertaken by the Company towards the Corporate Social Responsibility (CSR). Brief terms of the reference of the Corporate Social Committee is as under:

A. Brief description and terms of Reference:

The terms of reference of the CSR Committee are as under:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall include the activities to be undertaken by the Company as specified in Section 135 (3) and Schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.

B. Composition, attendance at the meetings during the year:

The Corporate Social Responsibility Committee met two times during the Year. The composition of the Committee and details of attendance of members of the Committee at the meetings are as under:

Name of the Member	Position	Category	No. of Meetings attended
Mr Ishwarlal A. Patel	Member	Independent Director	2 out of 2
Mr Rajnikant G. Patel [Upto May 30, 2019]	Member	Non-Executive Director	1 out of 2
Mr Mahendra G. Patel	Member	Executive Director	2 out of 2
Mr Munjal M. Patel [From May 30, 2019]	Member	Executive Director	N.A.

The constitution of the committee is in compliance of the provisions of the Act.

8. General Body Meetings:
A. The details of date, location and time of the last three Annual General Meetings held and any Special Resolution passed:

Annual General Meeting				
Financial Year Ended	Venue	Date	Time	Particulars of Special Resolution passed
31-03-2018	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	29-09-2018	10:30 A.M	<ol style="list-style-type: none"> 1. Re-Appointment of Mr Ishwarlal A. Patel as an Independent Director and to continue to avail his services as an Independent Director on his attaining the age of 75 years. 2. Re-Appointment of Mr Pirabhai R. Suthar as an Independent Director. 3. Approval to continue availing services of Mr Kishor M. Shah as a Non-Executive Director of the Company on his attaining the age of 75 years. 4. Approve Borrowing Limit under Section 180 (1) (c) of the Act. 5. Approve creating a mortgage/charge on the movable and immovable properties of the Company under Section 180 (1) (a) of the Act. 6. Approval of making investment exceeding the limit under Section 186 of the Act. 7. Approval of entering into related party transactions under Section 188 of the Act.
31-03-2017		29-09-2017		<ol style="list-style-type: none"> 1. Re-Appointment of Mr Mahendra G. Patel as a Managing Director of the Company, 2. Re-Appointment of Mr Rajnikant G. Patel as a Jt. Managing Director of the Company, 3. Re-Appointment of Mr Hashmukh I. Patel as a Whole Time Director of the Company, 4. Revision in Remuneration of Mr Munjal M. Patel, Whole Time Director of the Company, 5. Revision in Remuneration of Mr Ashish R. Patel, Whole Time Director of the Company, 6. Approval for keeping the registers, returns etc at a place other than the registered office of the Company pursuant to the provisions of Section 94 of the Act.
31-03-2016		30-09-2016		None

B. Whether any special resolution passed last year through postal ballot:

The Company has not passed any special resolution last year through postal ballot.

C. Whether any special resolution is proposed to be conducted through postal ballot:

The Company has not proposed any special resolution to be conducted through postal ballot.


9. Means of Communication:

Quarterly Results	The Quarterly Financial Results of the Company were published in accordance with the requirements of the Listing Regulations.
Newspapers wherein results normally published	The Financial Results of the Company were published in The Economic Times - English and Gujarati Edition
Any website, where displayed	The Financial Results of the Company were displayed on the website of the Company: www.lincolnpharma.com
Whether it also displays official news releases	Official News Releases along with Quarterly Financial Results were displayed on the website of the Company: www.lincolnpharma.com
The presentations made to institutional investors or to the analysts	The company has not made any presentation to institutions investors or to analysts during the year under review.

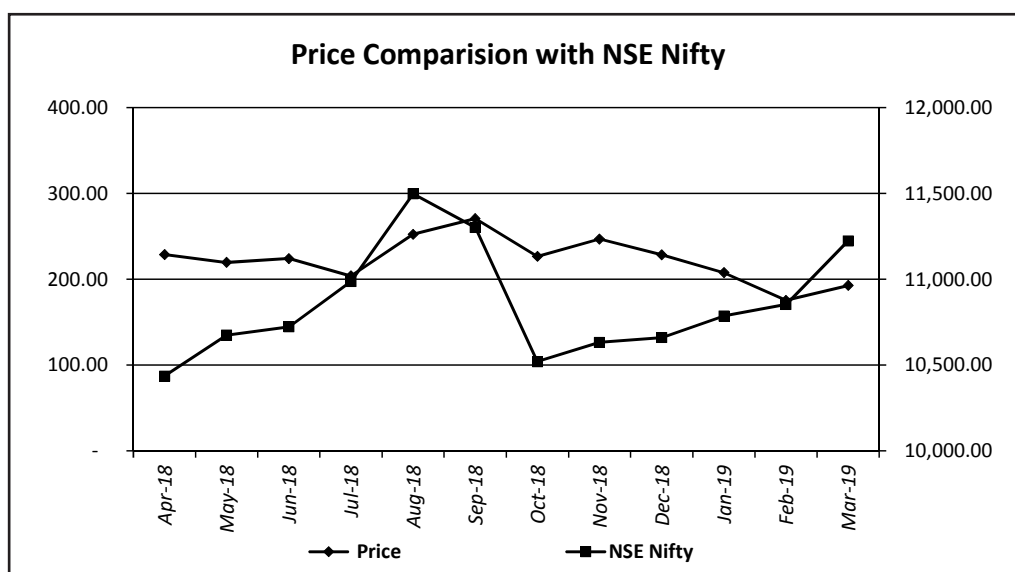
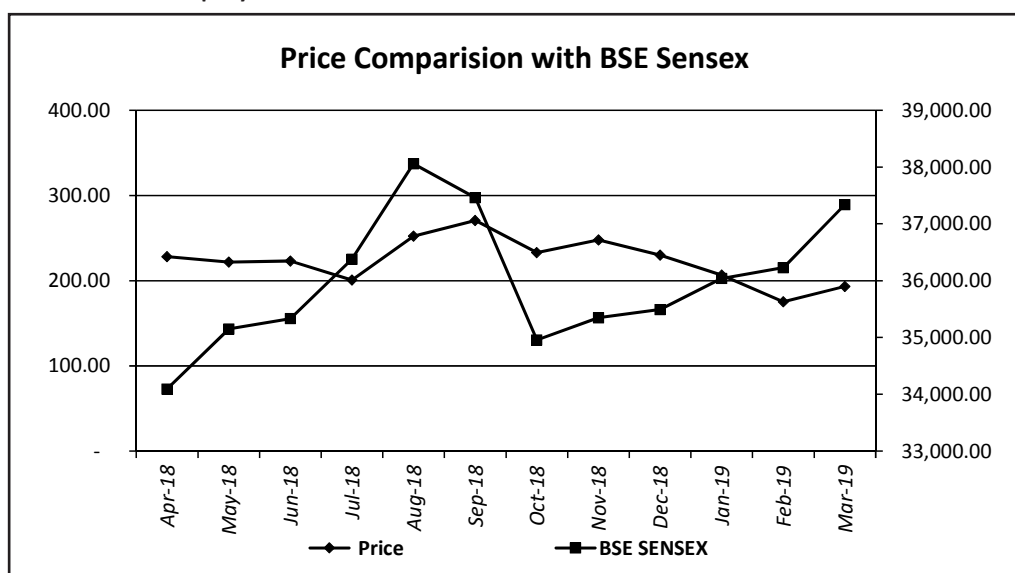
10. General Shareholder Information:

25th AGM with Date, Time and Venue	On any day on or before September 30, 2019 excluding the National Holidays.	
Financial Year	April 01, 2019 to March 31, 2020	
Tentative Schedule for considering Financial Results	For the Quarter Ending 30- Jun-2019	On or Before 14-Aug-2019
	For the Quarter Ending 30-Sept-2019	On or Before 14-Nov-2019
	For the Quarter Ending 31-Dec-2019	On or Before 14-Feb-2020
	For the Quarter Ending 31-Mar-2020	On or Before 30-May-2020
Dividend Payment Date	Within Statutory period of 30 days from the date of approval of Members at the Annual General meeting.	
Listing on Stock Exchanges with Scrip Code	<ol style="list-style-type: none"> 1. BSE Ltd. (BSE) - 531633 Phiroze JeeJeebhoy Towers, Dalal street, Mumbai - 400 001, Maharashtra, India. 2. National Stock Exchange of India Limited - LINCOLN Exchange Plaza, Floor 5, Plot # C/1, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India. 	
Payment of Listing Fees	The Company confirms that Annual listing fees for both the Stock Exchanges where Shares of the Company are listed have been paid.	
Registrar and Share Transfer Agent (for Shares held in both Physical and Demat mode)	LINK INTIME INDIA PRIVATE LIMITED Corporate Office: 5 th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's Collage Corner, Off C. G. Road, Navrangpura, Ahmedabad-380009. Tel.: +91-79-2646-5179/3000-2684, Email: ahmedabad@linkintime.co.in	
Share Transfer System	The physical share transfers / transmission / transposition were processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid transfers are approved by Share Transfer Committee at its Meetings.	
Dematerialization of shares and liquidity	The Company's Equity Shares are available for dematerialisation on both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 1,98,54,990 Equity Shares of the Company are in dematerialised form representing 99.27% of the Total Paid Up Equity Share Capital of the Company as on March 31, 2019.	
Plant Locations	The Company's plant is located at 10,12,13, Trimul Estate, At. Khatraj, Ta-Kalol, District-Gandhinagar, Gujarat.	
Address for Correspondence	LINCOLN PHARMACEUTICALS LIMITED "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060. Ph. No.: +91-79-4107-8000; Fax No.: +91-79-4107-8062, E-mail: info@lincolnpharma.com; Website: www.lincolnpharma.com	
Credit Ratings obtained by the entity along with any revisions thereto during the relevant Financial Year	Given below are the ratings given to the Company by Crisil Ltd during the Financial Year 2018-2019: A. Long Term Bank Loan Facilities: CRISIL A- Stable (pronounced CRISIL A Minus Stable) B. Short Term Bank Loan Facilities: CRISIL A2+ (pronounced CRISIL A Two Plus)	

a) **Market Price Data-High / Low during Each Month in the Financial Year 2018-2019 on BSE Limited (BSE) and National Stock Exchange of India Limited:**

SN	Month – Year	BSE Limited (₹)		NSE Limited (₹)	
		High Price	Low Price	High Price	Low Price
1	April, 2018	243.20	213.20	243.45	214.00
2	May, 2018	235.85	207.90	232.00	207.00
3	June, 2018	245.00	201.10	246.80	201.20
4	July, 2018	216.50	185.05	218.70	188.95
5	August, 2018	289.50	214.85	289.80	215.00
6	September, 2018	314.00	227.35	314.40	227.00
7	October, 2018	260.70	205.00	262.00	191.10
8	November, 2018	275.70	220.00	275.90	217.55
9	December, 2018	244.70	215.15	244.70	212.20
10	January, 2019	230.40	182.60	230.00	185.25
11	February, 2019	193.00	157.35	193.65	157.10
12	March, 2019	219.50	167.00	221.00	164.60

b) **Share Performance of the Company :**



c) **The Distribution of Shareholdings as on March 31, 2019 is as under:**

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
1-500	11,944	84.45	15,26,723	7.64
501-1000	1,114	7.88	8,97,684	4.49
1001-2000	516	3.65	7,81,993	3.91
2001-3000	159	1.12	4,12,763	2.06
3001-4000	83	0.59	2,99,622	1.50
4001-5000	63	0.45	2,87,896	1.44
5001-10,000	112	0.79	8,34,719	4.17
10,001 and above	152	1.07	1,49,58,600	74.79
TOTAL	14,143	100.00	2,00,00,000	100.00

d) **Shareholding Pattern as on March 31, 2019:**

Sr. No.	Category	No. of Shares	(%)
1	Promoters & Promoter group	64,78,879	32.39
2	Mutual Funds/ UTI / Trust	200	0.00
3	Financial Institutions/Banks / AIF	65,087	0.33
4	Bodies Corporate	27,60,154	13.80
5	NRIs (Repatriable)	248612	1.24
6	NRI (Non-Repatriable)	5,67,239	2.84
7	Individuals / HUF	96,99,645	48.50
9	Clearing Members	146,097	0.73
10	Central Government (IEPF)	27,046	0.14
11	NBFCs registered with RBI	7,041	0.04
Total		2,00,00,000	100.00

11. Other Disclosures:

A. Related Party Transactions:

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and are entered into on arm's length basis and do not attract the provisions of section 188 of the Act. There were no materially significant transactions with related parties during the Financial Year which were in the conflict of interest of the Company.

In terms of the Act, and Listing Regulations as amended, the Company has adopted a policy to determine Related Party Transactions and has been uploaded on the website of the Company: [www. lincolnpharma.com](http://www.lincolnpharma.com)

B. Details of Non-Compliance by the Company:

The Company has complied with the requirements of the regulatory authorities on the matters related to capital market and there were no instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

C. Details of establishment of Vigil Mechanism (Whistle Blower Policy):

In accordance with the provisions of Section 177 (9) of the Act, and the Rules made there under read with Listing Regulations, Company has established a vigil mechanism termed as Whistle Blower Policy, for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provide for direct access to the chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism / Whistle Blower Policy is devised in such a manner that would enable the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. As per the policy no person has been denied the access to the Audit Committee.

The Vigil Mechanism / Whistle Blower Policy is made available on the website of the Company i.e. www.lincolnpharma.com.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirement of Corporate Governance provisions.

E. Policy for determining Material Subsidiaries:

The policy for determining 'material' subsidiaries is available on the website of the Company: www.lincolnpharma.com.

F. Policy on dealing with Related Party Transactions:

The policy on dealing with Related Party Transactions is available on the website of the Company: www.lincolnpharma.com.

G. Disclosure of commodity price risks and commodity hedging activities:

The Company is not carrying on any Commodity Business and has not undertaken any Hedging Activities, hence same are not applicable to the Company.

H. Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement:

The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement during the Financial Year 2018-2019.

I. Certificate from a Practicing Company Secretary on the Board:

A certificate from a Company Secretary in Practice as required under Part C of Schedule V of Listing Regulations stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI / Ministry of Corporate Affairs / any such statutory authority was placed before the Board of Directors at their meeting.

J. There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.

K. The details of fees paid to M/s. J. T. Shah & Co., Chartered Accountant, Statutory Auditors of the Company on a Consolidated basis during the Financial Year 2018-2019 are as given below:

Payments to the Statutory Auditors (excluding taxes)	Fees paid in Lakhs
Fees paid for Statutory Audit of the Company and its Subsidiary	12.42
Fees paid for other services	9.99
Reimbursement of expenses	----
Total	22.41

L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of complaints on Sexual harassment received during the year - Nil
- Number of Complaints disposed off during the year - Nil
- Number of cases pending as on end of the Financial Year - Nil

12. The Company has complied with the requirements of Schedule V Corporate Governance Report sub-para (2) to (10) of the Listing Regulations.

13. The Company has duly fulfilled the following discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:

The Company has complied with all the mandatory requirements of Corporate Governance as per Listing Regulations:

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

- Board:** The Company has Non-Executive Chairperson and separate persons were appointed for the post of Chairman and Managing Director.
- Reporting of Internal Auditor:** Internal Auditors will be report directly to the Audit Committee.
- The Company has moved towards the regime of obtaining the report of Auditors with un-modified opinion with respect to the Audited Standalone and Consolidated Financial Results of the Company for the year ended on March 31, 2019.

14. Disclosure of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations:

The Company have complied with the requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulation.

15. Declaration of compliance of Code of Conduct:

According to the information provided / available, it is hereby confirmed that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company during the Financial Year 2018-2019. The Code of Conduct is also posted on the website of the Company i.e. www.lincolnpharma.com.

**16. Disclosures with respect to Demat suspense account/ unclaimed suspense account:**

The Company has transferred the Unclaimed Equity Shares in terms of Schedule VI of Listing Regulations in “Demat Suspense Account” opened for the purpose pursuant to SEBI Circular dated December 16, 2010. The details of Unclaimed Shares in the “Demat Suspense Account” as on March 31, 2019 is as follows:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	103	18,867
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	---	----
Number of shareholders to whom shares were transferred from the suspense account during the year	---	----
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	136	27,046

The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

17. Code of conduct to regulate, monitor and report trading by insiders:

The Company has adopted a code to regulate, monitor and report trading by insiders under SEBI (Prohibition of Insider Trading Regulations), 2015 and the Board reviews the same on need basis.

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706

H. I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD MAY 30, 2019

CODE OF CONDUCT DECLARATION

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2019.

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706

AHMEDABAD MAY 30, 2019

CEO AND CFO CERTIFICATE

The board of Directors,
Lincon Pharmaceuticals Limited,

We hereby certify that:

- We have reviewed Audited Financial Statements for the Financial Year Ended March 31, 2019 and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d) We have indicated to the Auditors and the Audit Committee that there are no:
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

**M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706**

**DARSHIT SHAH
CHIEF FINANCIAL OFFICER**

AHMEDABAD, MAY 30, 2019

SECRETARIAL AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Lincoln Pharmaceuticals Limited,
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by Lincoln Pharmaceuticals Limited for the Year Ended on March 31, 2019 as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR VISHWAS SHARMA & ASSOCIATES
COMPANY SECRETARIES**

**VISHWAS SHARMA
PROPRIETOR
M. NO.: 33017 CP NO: 16942**

AHMEDABAD, MAY 30, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

Indian Pharmaceutical Industry is the largest provider of cost-effective generic medicines to the developed world. The Country lead pharmaceutical export to the world, owing to a range of medicine exports and has possibly the largest number of USFDA approved Pharmaceuticals manufacturing facilities.

Indian economy is the seventh largest in the world in terms of nominal GDP. The Make in India. Move will further strengthen the local manufacturing Industry across the country there by utilising the available resources to the maximum.

a) Industry structure and developments.

The Government of India unveiled “Pharma Vision-2020” aimed at making India a Global Leader in End-to-End drug manufacturing.

Approval time for new facilities has been reduced to boost investments. By FY-2020, India is likely to be among the top three Pharmaceuticals by incremental growth and sixth largest market globally absolute size.

b) Opportunities and Threats.

The Government of India is focusing on bolstering growth and investment in the Indian Pharmaceuticals Industry. It allows 100% FDI (Foreign Direct Investment) under the automatic route (without prior permission) in the Pharmaceuticals sector. FDI favourably impacts the Pharma Industry by providing access to more capital/funds for investing in R&D. The environment for domestic Pharma Companies remains challenging. With more products coming under price control and other pressure such as government legislation to ban certain fixes dose combination drugs, the Pharma market is under pressure.

The Company manages the risk through careful market research for selection of new products, planning and continues monitoring. The company’s Research and Development (R &D) Department has developed many new Formulation.

c) Segment-wise or product-wise performance.

Our Company is presenting different segments likes Cardiac, Diabetic, Anti-malarial, Anti-biotic, Anti-fungal, Cephalosporin’s, Analgesic, Anaesthetics, Anti-pyretic, GIT products, Vitamin-Minerals & Iron preparations. Our Company’s main focus is on Cardiac and Diabetic Segments as we have till now achieved a good growth in these segments. Now our presence has been expanded with more number of Doctors and Hospitals. In our existing forte in Respiratory segment we have expanded our basket with new set of products, so we are expecting extensive growth in this.

d) Outlook.

Indian Pharmaceutical market size is expected to grow significantly. The Government is also taking relevant steps to reduce cost of medicine and bring down healthcare expense. India’s economic growth is expected to accelerate, backed by improved investor confidence and better policy reforms. The Government’s continuing fiscal consolidation and gradual improvement in rural demand are expected to drive growth, going forward.

e) Risks and concerns.

The company has in place mechanism to inform the board about the risk assessment and minimisation procedure and periodical review to ensure that management control risk through means of a properly defined framework. The company has formulated and adopted risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirement of the company.

f) Internal control systems and their adequacy.

Your Company’s internal systems are adequate and commensurate with the size of operation. These controls ensure that transactions are authorised, recorded and reported on time. The Company maintains a system of internal control including suitable monitoring procedure in various functional areas. . The Internal Audit department carried out audits in different area of Company’s operations. Post audit reviews were carried out to ensure that audit recommendations were implemented. The Audit Committee of the Board of Directors reviewed the audit programme and findings of the Internal Audit Departments.

g) Discussion on Financial performance with respect to operational performance.

Financial Performance of the Company is remained excellent in the term Sale and Profit. Company Total Income increase by 8.46%, profit after tax increase by 42% and EPS increase by 42.37% for the Year Ended March 31, 2019 compared previous Year Ended March 31, 2018.

h) Material developments in Human Resources / Industrial Relation

The Management consistently encourages a culture of employee recognition and motivation. This is achieved through the company's well designed policies and processes that recognise and reward the contribution of teams through various employee benefit schemes Learning and Development has provided various learning platforms which include training programmes and self-learning modules to meet the development need of employees to help build their skills, knowledge, & capability.

i) Details of significant changes in key financial ratios are as follows:

Sr. No.	Particulars	2018-19	2017-18
Profitability Ratios			
a)	Operating Profit Margin	17.86%	14.59%
b)	Net Profit Margin	13.21%	10.06%
c)	Return on Net Worth	17.76%	14.92%
Working Capital Ratios			
d)	Debtors Turnover (days)	111	100
e)	Inventory Turnover (days)	68	73
Gearing Ratios			
f)	Interest Coverage	17.41	12.14
g)	Debt / Equity	0.31	0.45
Liquidity Ratios			
h)	Current Ratio	2.57	2.10

j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Return on Net Worth are change on account of full year impact of interest and total income on financials of the Company.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Lincoln Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of **Lincoln Pharmaceuticals Limited** ("the Company"), which comprise the Balance Sheet as at **31st March, 2019**, and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.
5. Key audit matter identified in our audit is on recoverability assessment of trade receivables as follows:

Key audit matter	How our audit addressed the key audit matter
Measurement of Expected Credit Loss on Trade Receivables	
Trade receivables amount to ₹ 112,99,93,167/- after providing for an impairment based on expected credit loss method of ₹1,57,29,783/-. The measurement of expected credit loss is based on provision matrix that identifies receivables on number of days remaining outstanding and empirical data on recoverability. This Provision matrix requires to be updated regularly based on the circumstantial evidences which may result in significant variation in measurement from one period to other.	<p>The management's estimations for impairment based on expected credit loss method, our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained a list of receivables • We analysed the aging of receivables; • Identified any receivables with financial difficulty through discussion with management; • We obtained receivables balance confirmations on a sample basis; • Tested subsequent settlement of receivables after the balance sheet date on a sample basis; • In respect of receivables overdue for a period of 90 days or more, we assessed the recoverability through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

Information other than the Standalone Financial Statements and Auditors' Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and as may be legally advised.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for our resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS Specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements- Refer Note -44 to the Financial Statement;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, J.T. Shah & Co.
Chartered Accountants,
[Firm Regd. No. 109616W]

Place : Ahmedabad
Date : 30.05.2019

(J. T. Shah)
Partner
[M. No. 3983]

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15 of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the Members of **Lincoln Pharmaceuticals Limited** for the year ended **31st March, 2019**.

1. In respect of Fixed Assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
- b) As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification, physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.
- c) As explained to us, the title deeds of all the immovable properties are held in the name of the Company's name.

2. In respect of Inventories:

As per the information and explanations given to us, inventories were physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on such physical verification.

3. In respect of Loans granted during the year:

The Company has granted unsecured loans to party covered in the Register maintained under section 189 of the Companies Act, 2013. The details in respect of clause (iii) (a) to (c) of the Order are as under:-

- a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the interest of the company.
- b) The schedule for repayment of principle has been stipulated and there were no principle amounts due for repayment during the year. Further there was no stipulation in respect of interest on said loans, hence question of regular payment of interest does not arise.
- c) There is no overdue amount of loans granted to parties covered in the Register maintained under section 189 of the Companies Act, 2013.

4. Loans, Investments and guarantees:

In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security during the year under consideration.

5. Acceptance of Deposits:

During the year, the Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company. Therefore clause 3(v) of Companies (Auditor's Report) Order, 2016 is not applicable.

6. Cost Records:

Pursuant to the rules made by the central government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. In respect of Statutory Dues:

- a) According to the records of the Company, the Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, Value added tax, Central Sales Tax, Goods and Service Tax, service tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

- b) According to the records of the Company, the dues of income tax, service tax, duty of customs, duty of excise, value added tax, central sales tax or cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the Dues	Financial Year	Amount (₹)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	2016-17	24,950	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Penalty Demand	2016-17	16,89,854	Commissioner of Income Tax (Appeals)

8. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Banks or Government. The Company has no debenture holder borrowing during the year.
9. According to the information and explanations given to us, the Company had not raised any money by way of public issue during the year. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, in our opinion, the term loans taken during the year were applied for the purpose for which they were obtained.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officer or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the Company had paid managerial remuneration which is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of The Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the Company. Hence, clause 3(xii) of the Company's (Auditor's Report) Order, 2016 is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions entered by the Company with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and details thereof are properly disclosed in the financial statements as required by the applicable accounting standard.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause 3(xiv) of the Company's (Auditor's Report) Order, 2016 is not applicable.
15. The Company had not entered in to any non-cash transactions with the directors or persons connected with him during the year, hence section 192 of the Companies Act, 2013 is not Applicable, hence clause 3(xv) of Company's (Auditor's Report) Order, 2016 is not applicable.
16. As the Company is not required to register under section 45-IA of Reserve Bank of India Act, 1934, hence, clause 3(xvi) of Company's (Auditor's Report) Order, 2016 is not applicable.

For, J.T. Shah & Co.
Chartered Accountants,
[Firm Regd. No. 109616W]

Place : Ahmedabad
Date : 30.05.2019

(J. T. Shah)
Partner
[M. No. 3983]

ANNEXURE “B” TO INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 16(f) of “Report on Other Legal and Regulatory Requirements” of our Report of even date to the Members of Lincoln Pharmaceuticals Limited for the year ended 31st March, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Lincoln Pharmaceuticals Limited as of 31st March 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, J.T. Shah & Co.
Chartered Accountants,
[Firm Regd. No. 109616W]

(J. T. Shah)
Partner
[M. No. 3983]

Place : Ahmedabad

Date : 30.05.2019

**LINCOLN****BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Note No.	As at March 31, 2019 ₹	As at March 31, 2018 ₹
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	5	880,264,539	826,120,340
(b) Capital work-in-progress	6	19,423,195	2,911,549
(c) Other Intangible assets	7	4,240,645	3,354,920
(d) Financial Assets			
(i) Investments	8	277,362,763	277,362,979
(ii) Loans	9	313,765,489	225,714,555
(iii) Other financial assets	10	122,420	Nil
(e) Other non-current assets	11	27,486,974	22,174,275
Total Non - Current Assets		1,522,666,025	1,357,638,619
2 Current assets			
(a) Inventories	12	294,739,329	364,912,255
(b) Financial Assets			
(i) Investments	13	180,707,591	109,710,489
(ii) Trade receivables	14	1,129,993,167	960,196,966
(iii) Cash and cash equivalents	15	53,093,845	64,487,243
(iv) Loans	16	17,500,020	40,047,343
(v) Other bank balances	17	21,197,536	18,962,866
(vi) Other financial assets	18	10,757,010	9,443,408
(c) Current Tax Assets (Net)	19	7,100,000	Nil
(d) Other current assets	20	230,123,321	334,681,584
Total Current Assets		1,945,211,819	1,902,442,154
Total Assets (1+2)		3,467,877,844	3,260,080,773
B EQUITY AND LIABILITIES			
1 Equity			
(a) Share capital	21	200,000,000	200,000,000
(b) Other Equity	22	2,426,041,111	1,995,403,111
Total equity		2,626,041,111	2,195,403,111
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	16,921,730	61,326,545
(ii) Other financial liabilities	24	36,716,535	37,222,050
(b) Deferred tax liabilities (Net)	25	30,897,600	58,513,242
Total Non - Current Liabilities		84,535,865	157,061,837
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	300,935,465	485,470,905
(ii) Trade payables	27	357,080,878	350,410,088
(iii) Other financial liabilities	28	91,766,943	51,203,517
(b) Other current liabilities	29	7,517,582	7,932,342
(c) Provisions	30	Nil	332,078
(d) Current Tax Liabilities (Net)	31	Nil	12,266,894
Total Current Liabilities		757,300,868	907,615,824
Total Equity and Liabilities (1+2+3)		3,467,877,844	3,260,080,773
Summary of Significant Accounting Policies	4		

As per our report of even date attached herewith
In terms of our report attached.

For J.T. Shah & Co.

Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 30.05.2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 30.05.2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
I Revenue from operations	32	3,530,425,002	3,255,119,402
II Other Income	33	65,754,326	58,037,621
III Total Income (I + II)		3,596,179,328	3,313,157,023
IV EXPENSES			
(a) Cost of materials consumed	34	808,351,674	635,923,342
(b) Purchases of stock-in-trade	35	889,100,920	1,068,623,092
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	73,330,252	7,065,025
(d) Excise duty		Nil	5,576,471
(e) Employee benefit expense	37	484,005,617	475,080,227
(f) Finance costs	38	38,435,435	42,646,597
(g) Depreciation and amortisation expense	39	49,191,308	43,992,990
(h) Other expenses	40	672,342,196	603,268,958
Total Expenses		3,014,757,403	2,882,176,703
V Profit before tax (III- IV)		581,421,925	430,980,320
VI Tax Expense			
(a) Current tax	41	142,900,000	95,849,154
(b) Deferred tax liability / (assets)	41	(27,848,726)	7,565,990
Total tax expense		115,051,274	103,415,144
VII Profit for the year (V - VI)		466,370,652	327,565,176
VIII Other Comprehensive Income			
A Items that will not be reclassified to Statement of profit and loss			
(a) Remeasurements of the defined benefit plans	42	667,022	1,413,409
(b) Income tax relating to items (a) above	42	(233,084)	(493,726)
IX Total Other Comprehensive Income		433,938	919,683
X Total comprehensive income for the year (VIII+IX)		466,804,591	328,484,860
XI Basic & diluted earnings per share of ₹10 each Fully Paid up			
(a) Basic	52	23.32	16.38
(b) Diluted	52	23.32	16.38

As per our report of even date attached herewith
In terms of our report attached.

For J.T. Shah & Co.

Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 30.05.2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 30.05.2019



LINCOLN

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Cash flow from operating activities		
Profit before tax	581,421,925	430,980,321
Adjustments for :		
Depreciation and amortisation expense	49,191,308	43,992,990
Amortisation of lease premium	216,000	216,000
Finance costs	38,435,435	42,646,597
Provision for Expected Credit Loss	875,510	9,510,374
Bad debt written off	6,742,319	9,845,220
MTM (gain) / loss on fair valuation of derivative financial instruments	(1,013,693)	1,658,477
Loss on sale of assets (net)	1,976,532	323,459
Interest income	(19,844,423)	(17,443,994)
Dividend income	Nil	(2,064)
Share of profit from subsidiaries	(1,082,048)	(829,128)
Commission income from financial guarantee issued	(810,912)	(1,081,217)
(Gain) / loss on fair valuation of mutual funds	(8,997,102)	(9,259,298)
Profit on sale of Current Investment	(363,737)	(48,085)
Gain on sale of equity instruments of subsidiary	(144)	Nil
Operating profit before working capital changes	646,746,970	510,509,652
Changes in operating assets and liabilities:		
(Increase)/Decrease in Inventories	70,172,927	(46,195,282)
(Increase)/Decrease in Trade receivables	(177,414,031)	(187,234,353)
(Increase)/Decrease in Other Current Financial Assets	(64,672)	(90,638)
(Increase)/Decrease in Other non current assets	(2,206,895)	Nil
(Increase)/Decrease in Other current assets	105,225,284	(76,352,168)
Increase/(Decrease) in Trade payable	6,670,790	100,991,736
Increase/(Decrease) in Other current financial liabilities	28,153,595	(3,814,663)
Increase/(Decrease) in Other non current financial liabilities	305,397	1,792,224
Increase/(Decrease) in Other current liabilities	(414,760)	4,261,577
Increase/(Decrease) in Short-term Provisions	(332,078)	(3,674,481)
Cash flow generated from operations	676,842,528	300,193,604
Direct taxes paid (net)	(166,258,542)	(86,896,600)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	510,583,986	213,297,004
Cash flows from investing activities		
Purchase of Property, plant and equipments	(116,791,004)	(92,464,099)
Proceeds from sale of Property, plant and equipments	3,158,551	2,269,000
Margin Money Deposit	(2,219,151)	5,715,000
Interest received	3,220,646	7,335,186
(Increase)/Decrease in Non current financial Assets- Loan	(71,427,156)	(1,271,412)
(Increase)/Decrease in Current financial Assets- Loan	22,547,323	(40,047,343)
Dividend received	Nil	2,064
Sale of Current Investment	190,363,737	2,048,085
Purchase of Current Investment	(252,000,000)	Nil
Sale in equity instruments of subsidiary	360	Nil
Investment in equity instruments of subsidiary	Nil	(20,000,000)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(223,146,694)	(136,413,519)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Cash flows from financing activities		
Proceeds of Long term borrowings	Nil	Nil
Repayment of Long-term borrowings	(39,346,651)	(14,408,771)
Proceeds of Short term borrowings	Nil	44,195,726
Repayment of Short-term borrowings	(184,535,440)	Nil
Dividend paid on equity shares (incl. deferred tax)	(36,166,590)	(28,886,023)
Finance costs Paid	(38,782,009)	(42,646,597)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(298,830,690)	(41,745,665)
NET INCREASED IN CASH AND CASH EQUIVALENTS (A + B + C)	(11,393,398)	35,137,820
Cash and cash equivalents at the beginning of the year	64,487,243	29,349,423
Cash and cash equivalents at the end of the year	53,093,845	64,487,243

Notes:

- (i) Components of cash and cash equivalents at each balance sheet:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Cash on hand	4,422,221	4,208,144
Balances with Bank - In Current Account	48,671,624	60,279,099
Total Cash and cash equivalents (Refer Note No. 15)	53,093,845	64,487,243

- (ii) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

See accompanying notes forming part of the Financial Statements

As per our report of even date attached herewith
In terms of our report attached.
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 30.05.2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 30.05.2019

**LINCOLN****STATEMENT OF CHANGES IN EQUITY** FOR THE YEAR ENDED ON MARCH 31, 2019**Equity Share Capital**

Particulars	Note No.	Amount ₹
Balance as on 1st April, 2017	21	200,000,000
Changes during the year		Nil
Balance as on 31st March, 2018	21	200,000,000
Changes during the year		Nil
Balance as on 31st March, 2019	21	200,000,000

Other Equity

Other Equity								Amount in ₹
Particulars	Note No.	Reserves and Surplus			Capital Reserve	Money received against share warrants	Equity Securities Premium	Total
		Retained Earnings		General Reserve				
		Profit and Loss	Other Comprehensive Income					
Balance as at 1st April, 2017	22	982,050,391	(34,116)	64,121,600	3,500,000	Nil	646,166,400	1,695,804,276
Profit for the year		327,565,176	Nil	Nil	Nil	Nil	Nil	327,565,176
Other comprehensive income for the year (net of Tax)		Nil	919,683	Nil	Nil	Nil	Nil	919,683
Payment of Dividends		(24,000,000)	Nil	Nil	Nil	Nil	Nil	(24,000,000)
Tax on Dividends		(4,886,023)	Nil	Nil	Nil	Nil	Nil	(4,886,023)
Transfer to General Reserve		(5,000,000)	Nil	5,000,000	Nil	Nil	Nil	Nil
Share Capital issued during the year		Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	22	1,275,729,544	885,567	69,121,600	3,500,000	Nil	646,166,400	1,995,403,111
Profit for the year		466,370,652	Nil	Nil	Nil	Nil	Nil	466,370,652
Other comprehensive income for the year (net of Tax)		Nil	433,938	Nil	Nil	Nil	Nil	433,938
Payment of Dividends		(30,000,000)	Nil	Nil	Nil	Nil	Nil	(30,000,000)
Tax on Dividends		(6,166,590)	Nil	Nil	Nil	Nil	Nil	(6,166,590)
Transfer to General Reserve		(5,000,000)	Nil	5,000,000	Nil	Nil	Nil	Nil
Balance as at 31st March, 2019	22	1,700,933,606	1,319,505	74,121,600	3,500,000	Nil	646,166,400	2,426,041,111

As per our report of even date attached herewith
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 30.05.2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

Bhavik P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 30.05.2019

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

1. Corporate information:

The Lincoln Pharmaceuticals Limited ('the Company') is a listed company, incorporated on January 20, 1995 under the provisions of the Companies Act 1956, having its registered office in the Ahmedabad, Gujarat, India. The shares of the company are listed on BSE and NSE. The Company is engaged in the business of manufacturing and trading of pharmaceutical products. The Company has manufacturing plant located in state of Gujarat.

These financial statements are presented in Indian rupee with figures rounded off to nearest rupee except otherwise indicated and same were approved by board of the Company in their meeting held on May 30, 2019.

2. Statement of compliance:

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended read with Section 133 of the Companies Act, 2013.

The current financial statements comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2019 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies are applied consistently to all the periods presented in the financial statements.

3. Basis of preparation:

The financial statements have been prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under except for the following where the fair valuation have been carried out in accordance with the requirements of respective Ind AS:

- a. Employee defined benefit plans – Plan assets - refer note no. 45
- b. Financial Instruments recognised at FVTPL or FVTOCI - refer note no. 47

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

4. Summary of significant accounting policies:

i) Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in financial statements have been specified in Note 2(iii) below. Accounting estimates could change from period to period. Actual results could differ from estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which the changes are made and if material, their effects are disclosed in these notes to the individual financial statements.

Critical Accounting Estimates and Judgement used in application of Accounting Policies are specified here-in-after:

- a. Income Taxes
Significant judgements are involved in determining the provision for Income Taxes, including amount expected to be paid / recovered for uncertain tax positions. (Also refer Note No. 11, 19 and 31)
- b. Property, Plant and Equipment
Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. (Refer Note No. 5)
- c. Impairment of Financial Assets
The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates.

The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without under cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note No. 10 & 18)

d. **Defined Benefit Plan**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note No. 45)

e. **Fair Value Measurement of Financial Instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note No. 47)

f. **Other estimates**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

ii) **Income recognition:**

Revenue from Contracts with Customers

Effective 1st April, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115, the standard) retrospectively with the cumulative effect of applying this standard recognise at the date initial application. The adoption of this standard did not have any material impact on the financial statements.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The revenue towards satisfaction of performance is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligations. The transaction price of goods sold and service rendered is net of variable consideration on account of various discounts offered by the company as part of contract. These variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that amount will not be subject to significant reversal when uncertainty relating to its recognition resolved.

Sale of Product and Services

The company manufactures Pharmaceuticals Products. The company also render job work service. The performance obligation in case of sale of product and services is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customers as may be specified in the contract. The time taken from entering into order and sale is less than 12 months and the normal credit period offered to customers is also less than 12 months. The company offers trade Discount, Quantity Discount, cash Discount, Discount for Shortage or quality issue discount which are factored while determining transaction price. Revenue is recognised such that significant reversal is not highly probable. The reconciliation between the contract price and revenue recognised is given in note 32.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal amount outstanding and at the effective interest rate. Effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Operating revenue

Export entitlements are recognized when the right to receive the credits as per the terms of the scheme is established in respect of exports made by the company and when there is no significant uncertainty in receiving the same.

Insurance Claim:

Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

iii) Property, Plant & Equipment:
Property, Plant & Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at cost less accumulated impairment losses. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost of an item of property, plant and equipment comprises:

- Its purchase price, all costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. Tax credit, if any, are accounted for by reducing the cost of capital goods;
- Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss account.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

Capital Work-in-progress

Capital work in progress is stated at cost, comprising direct cost, related incidental expenses and attributable borrowing cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment. Pre-operating costs, being indirect in nature are expensed to the statement of profit and loss account as and when incurred.

Compensation for impairment:

The Company recognises compensation from third parties for items of property, plant and equipment that were impaired, lost or given up in profit or loss when the compensation becomes receivable.

Derecognition of Property, Plant and Equipment:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss from the derecognition of an item of property, plant and equipment is recognised in the statement of profit and loss account when the item is derecognized.

iv) Depreciation on Property, Plant & Equipment:

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately on straight-line method. Parts of plant and equipment that are technically advised to be replaced at prescribed intervals / periods of operation, insurance spares and cost of inspection / overhauling are depreciated separately based on their specific useful life provided these are of significant amounts. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciable amount of an item of property, plant and equipment is arrived at after deducting estimated residual value. The depreciable amount of an asset is allocated on a systematic basis over its useful life. The Company reviews the residual value and useful life at each financial year-end and, if expectations differ from previous estimates, the residual value and useful lives are changed prospectively and accounted for as a change in accounting estimate. Depreciation commences when the item of property, plant and equipment is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized. The Company review the depreciation method at each financial year-end and if, there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted as a change in accounting estimate on prospective basis.

Depreciation on tangible property, plant and equipment is provided over the useful lives specified under Schedule II to the Companies Act, 2013. No Depreciation has been provided on Free hold land.

The estimated useful lives are mentioned below:

Nature of Assets	Useful life (in Years)
Land (Free Hold)	Nil
Factory Buildings	30
Non Factory Building	
RCC Frame Structure	60
Non RCC Frame Structure	30
Computer	3 / 6
Electrical Installation	10
Furniture & Fixtures	10
Office Equipments	5
Plant & Machinery	5 to 22
Vehicle	5 / 10

v) Intangible Assets and Amortization:

The Company identifies an identifiable non-monetary asset without physical substance as an intangible asset. The Company recognises an intangible asset if it is probable that expected future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost unless acquired in a business combination in which case an intangible asset is measured at its fair value on the date of acquisition. The Company identifies research phase and development phase of an internally generated intangible asset. Expenditure incurred on research phase is recognised as an expense in the profit or loss for the period in which incurred. Expenditure on development phase are capitalised only when the Company is able to demonstrate the technical feasibility of completing the intangible asset, the ability to use the intangible asset and the development expenditure can be measured reliably. The Company subsequently measures all intangible assets at cost less accumulated amortisation less accumulated impairment. An intangible asset is amortised on a straight-line basis over its useful life. A rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use is considered by the management. Amortisation commences when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognised. The amortisation charge for each period is recognised in profit or loss unless the charge is a part of the cost of another asset. The amortisation period and method are reviewed at each financial year end. Any change in the period or method is accounted for as a change in accounting estimate prospectively. The Company derecognises an intangible asset on its disposal or when no future economic benefits are expected from its use or disposal and any gain or loss on derecognition is recognised in statement of profit and loss account as gain / loss on derecognition of asset.

vi) Impairment of Non-Financial Assets :

The Company reviews the carrying amount of its Property, Plant and Equipment including Capital Work in progress of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Recoverable Amount is determined:

- In case of individual asset, at higher of the fair value less cost to sell and value in use and
- In case of cash generating unit (a Company of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

vii) Borrowing Costs:

Interest and other costs that the Company incurs in connection with the borrowing of funds are identified as borrowing costs. The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it is incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. General borrowings include all other borrowings and also the amount outstanding as on the balance sheet date of specific borrowings. Borrowing cost incurred actually on specific

borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

viii) Inventories:

Raw Materials, Packing Materials, Stores and Spares

Raw Materials, Packing Materials, Stores & Spares and consumables are valued at lower of cost (net of refundable taxes and duties) and net realisable value. The cost of these items of inventory are determined on FIFO basis and comprises of cost of purchase and other incidental costs incurred to bring the inventories to their location and condition. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished Goods and Work-in-progress

Work-in-progress and finished goods are valued at lower of cost and net realisable value. The cost of work-in-progress and finished goods of inventory is determined on weighted average basis. The cost of work-in-progress and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition. Obsolete, slow moving and defective inventories are identified and valued at lower of cost and net realisable value.

Stock in Trade

Stock in Trade is valued at lower of cost and net realisable value. Cost is determined on FIFO basis.

ix) Leases:

The Company determines an arrangement as a lease based on the substance of the arrangement after assessing whether the arrangement is dependent on the use of specific asset or assets and whether the arrangement conveys a right to use the asset or assets. The Company classifies all leases into finance and operating leases at the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. The Company has applied accounting for lessees for assets taken on lease. The Company has not given assets on lease.

a) Finance lease as lessee

The Company recognises property leased under finance leases at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are discounted at the interest rate implicit in the lease to calculate present value of minimum lease payments. Initial direct costs are added to the amount recognised as an asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Contingent rents are charged as expenses in the period in which they are incurred.

b) Operating lease as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Where payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease expense is recognised based on the contractual lease payments. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

x) Government Grants and Subsidies:

Assistance by government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to operating activities of the entity other than those which cannot reasonably have a value placed upon them or those that cannot be distinguished from normal trading transactions of the Company are termed as government grants. All government grants are identified as either relating to assets or relating to income. Government grants whose primary condition is that a Company qualifying for them should purchase, construct or otherwise acquire long-term assets are identified as grants related to assets. Grants other than those related to assets are identified as related to income. Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. A forgivable loan from government is treated as a government grant when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan. The Company recognises Government

grants in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets including non-monetary grants at fair value are presented in the balance sheet as deferred income. Deferred income is recognised in profit or loss on the basis the related assets are depreciated or amortised if they are related to asset or under other income when the grant becomes receivable. Grants related to income are presented in profit or loss under other income. Grants received in advance before fulfilment of conditions are recognised as Other Liability classified into current or non-current as appropriate in the circumstances of the case.

xi) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a. Initial recognition and measurement

At initial recognition, the Company measures a financial asset (which are not measured at fair value) through profit or loss at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- i) Financial assets measured at amortised cost;
- ii) Financial assets at fair value through profit or loss (FVTPL) and
- iii) Financial assets at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above mentioned categories based on:

- a) The Company's business model for managing the financial assets and
- b) The contractual cash flows characteristics of the financial asset.

i) Financial assets measured at amortised cost :

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- b) Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Trade receivables, Advances, Security Deposits, Cash and Cash Equivalents etc. are classified for measurement at amortised cost.

ii) Financial assets at fair value through profit or loss (FVTPL):

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income. In addition, The Company may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

iii) Financial assets at fair value through other comprehensive income (FCTOCI):

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by collecting both contractual cash flows that gives rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

c. Derecognition

The Company derecognizes a financial asset when contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of Profit and Loss.

d. Impairment

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables,
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables),
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

Financial Liabilities

a. Initial recognition and measurement

At initial recognition, the Company measures a financial liabilities (which are not measured at fair value) through profit or loss at its fair value plus or minus transaction costs that are directly attributable to the financial liability.

The company's financial liabilities include trade and other payables, loans and borrowings, bank overdrafts and financial guarantee.

b. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- i) Financial liabilities measured at amortised cost.
- ii) Financial liabilities at fair value through profit or loss.

i) Financial liabilities measured at amortised cost :

All financial liabilities are measured at amortised cost. Any discount or premium on redemption/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

ii) Financial liabilities at fair value through profit or loss (FVTPL):

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

c. Derecognition

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged or cancelled or expiry. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and interest rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

xii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xiii) Foreign currency transactions and translations

Functional currency of the Company is Indian rupee. The financial statements have been presented under its functional currency. Any transaction that is denominated in a currency other than the functional currency is regarded as foreign currency transaction. All foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. In case of consideration received or paid in advance, the exchange rate prevailing on the date of receipt or payment of advance is considered when subsequently the related asset is given up or received to the extent of advance consideration.

At the end of the reporting period:

1. foreign currency monetary items are translated using the exchange rate for immediate delivery at the end of the reporting period;
2. non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and
3. non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange difference arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

xiv) Employee benefits
Short term employee benefits

Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment benefits
a. Defined contribution plans

The Employee and Company make monthly fixed Contribution to Government of India Employee's Provident Fund equal to a specified percentage of the covered employees' salary, Provision for the same is made in the year in which service are render by employee.

b. Defined benefit plans

The Liability for Gratuity to employees, which is a defined benefit plan, as at Balance Sheet date determined on the basis of actuarial Valuation based on Projected Unit Credit method is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India and the contribution thereof paid/payable is absorbed in the accounts.

The present value of the defined benefit obligations is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognized immediately in profit or loss as past service cost.

xv) Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current Tax includes provision for income tax computed at the tax rate applicable as per Income Tax Act, 1961. Tax on profit for the period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provision of the relevant tax laws and based on expected outcome of assessments / appeals. The company recognises taxes on distribution of dividend to share holders in retained earning when dividends are declared.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and tax credits will be utilised. The carrying amount of deferred tax assets is reviewed at the end of financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled or the asset realised, based on tax rates and tax laws that have been substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The Company restricts recognition of deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability in absence of availability of sufficient future taxable profit which allow the full or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

xvi) Provisions, Contingent Liabilities and Contingent Assets :

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase

in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

xvii) Earnings per equity share:

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xviii) Dividend:

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

xix) Goods and Service Tax:

Goods and Service Tax credit on materials purchased for production / service availed for production / input service are taken into account at the time of purchase and GST credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired.

Goods and Service Tax credits so taken are utilized for payment of GST Liability on Sale of on goods . The unutilized GST credit is carried forward in the books.

(xx) Segment reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments are reported in a manner consistent with the internal reporting to the CODM.

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. Refer note 40 for segment information presented.

(xxi) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xxii) Standards issued but not yet effective

As on 30th March, 2019, Ministry of Corporate Affairs vide a notification issued amendments to Ind AS which are effective from 1st April, 2019. Given below is given an explanation of significant amendments and their possible impact on the assets, liabilities and results:

a) Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

The company is in the process of evaluating the impact of this Standard

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which

has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the separate financial statements.

c) Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the separate financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and
- to recognise in profit or loss as part of past service cost or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

e) Amendment to Ind AS 23 – Consideration of outstanding specific borrowing in capitalisation rate-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23, Borrowing Costs. The amendments clarify that an entity shall exclude from the calculation of capitalisation rate borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Company is in the process of evaluating the impact of this amendment on the separate financial statements.

Note 5: Property, Plant and Equipment

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation	Computer	Total
Gross Carrying Value as on March 31, 2017	115,074,586	150,136,240	392,374,531	16,283,305	26,853,432	1,510,455	5,093,654	6,272,556	713,598,759
Addition during the year	32,304,333	95,880,180	49,527,950	6,512,819	8,133,002	318,775	426,754	1,398,183	194,501,995
Deduction during the year	Nil	Nil	200,000	Nil	7,248,405	Nil	Nil	Nil	7,448,405
Gross Carrying Value as on March 31, 2018	147,378,919	246,016,420	441,702,481	22,796,124	27,738,029	1,829,230	5,520,408	7,670,739	900,652,349
Addition during the year	7,161,801	3,474,394	54,738,444	5,214,491	14,426,758	Nil	19,227,971	3,400,824	107,644,683
Deduction during the year	Nil	Nil	5,551,268	Nil	5,080,155	Nil	Nil	Nil	10,631,423
Gross Carrying Value as on March 31, 2019	154,540,720	249,490,814	490,889,657	28,010,615	37,084,632	1,829,230	24,748,379	11,071,563	997,665,609
Accumulated depreciation as on March 31, 2017	Nil	5,392,477	23,111,432	2,277,822	2,925,343	235,602	587,557	2,098,160	36,628,393
Addition during the year	Nil	6,241,158	26,430,965	2,841,848	4,012,407	277,930	636,779	2,318,474	42,759,561
Deduction during the year	Nil	Nil	13,872	Nil	4,842,074	Nil	Nil	Nil	4,855,946
Accumulated depreciation as on March 31, 2018	Nil	11,633,635	49,528,525	5,119,670	2,095,676	513,532	1,224,336	4,416,634	74,532,008
Addition during the year	Nil	7,805,655	30,122,878	3,287,870	4,344,089	264,725	730,037	1,810,147	48,365,401
Deduction during the year	Nil	Nil	3,603,743	Nil	1,892,597	Nil	Nil	Nil	5,496,340
Accumulated depreciation as on March 31, 2019	Nil	19,439,290	76,047,660	8,407,540	4,547,168	778,257	1,954,372	6,226,781	117,401,069
Net Carrying Value as on March 31, 2017	115,074,586	144,743,763	369,263,099	14,005,483	23,928,089	1,274,853	4,506,097	4,174,396	676,970,366
Net Carrying Value as on March 31, 2018	147,378,919	234,382,785	392,173,956	17,676,454	25,642,353	1,315,697	4,296,072	3,254,105	826,120,340
Net Carrying Value as on March 31, 2019	154,540,720	230,051,524	414,841,997	19,603,075	32,537,464	1,050,972	22,794,007	4,844,782	880,264,539

Notes:
i. Assets pledged as security:

Refer Note No. 59 of financial statement for disclosure of assets pledged as security.

ii. Capitalised borrowing cost:

Borrowing Cost Capitalised on Property, Plant and Equipment during the year ended March 31, 2019 - ₹ Nil/- (for the year ended March 31, 2018: ₹ Nil/-).

iii. Contractual obligations:

Refer Note No. 43 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

iv. Depreciation on Property, Plant & Equipment

Refer Note No. 4(iv) for disclosure of Policies and method used for the depreciation of property, Plant & Equipment.

Note 6 : Capital Work in Progress

Particulars	Amount in ₹
Balance at March 31, 2017	66,308,714
Addition during the year	61,824,095
Capitalised during the year	125,221,260
Balance at March 31, 2018	2,911,549
Addition during the year	16,511,645
Capitalised during the year	Nil
Balance at March 31, 2019	19,423,194

Note 7 : Other Intangible Assets
(Amt. in ₹)

Particulars	Computer Software	Patents	Total
Gross Carrying Value as on March 31, 2017	4,858,181	140,000	4,998,181
Addition during the year	839,841	Nil	839,841
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2018	5,698,022	140,000	5,838,022
Addition during the year	1,711,632	Nil	1,711,632
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2019	7,409,654	140,000	7,549,654
Accumulated amortisation as on March 31, 2017	1,209,673	40,000	1,249,673
Addition during the year	1,193,429	40,000	1,233,429
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2018	2,403,102	80,000	2,483,102
Addition during the year	785,907	40,000	825,907
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2019	3,189,009	120,000	3,309,009
Net Carrying Value as on March 31, 2017	3,648,508	100,000	3,748,508
Net Carrying Value as on March 31, 2018	3,294,920	60,000	3,354,920
Net Carrying Value as on March 31, 2019	4,220,645	20,000	4,240,645

Notes:
i. Amortization on intangible Assets

Refer Note No. 4(v) for disclosure of Policies and method used for the amortization of intangible assets.

8 Non Current Investments

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(a) Investments in Subsidiary at cost		
A Investment in Equity instruments: (unquoted)		
i 94,58,438 (PY.98,58,450) Equity Share of Lincoln Parenteral Limited of face value ₹10 each fully paid up.	199,251,971	199,252,187
ii 20,00,000 (PY.20,00,000) Equity Shares of Savebux Enterprise Private Limited of face value ₹ 10 each fully paid up.	20,000,000	20,000,000
B Investment in Limited Liability Partnership:		
i Zullinc Healthcare LLP (Refer Note ii to this schedule)	500,000	500,000
C Investment in Other Equity Instruments:		
i Lincoln Parenteral Limited:		
Equity Component of Financial Instruments issued in favour of subsidiary		
Interest-free security deposits (Refer Note I(a) to this schedule)	54,619,446	54,619,446
Financial Guarantee (Refer Note I(b) to this schedule)	2,973,346	2,973,346
	277,344,763	277,344,979
(b) Investments in other equity instruments at amortised cost (unquoted)		
320 (PY.320) Equity Share of Navnirman Co operative Bank Limited of face value ₹ 25 each fully paid up	8,000	8,000
(c) Investments in government securities at amortised cost (unquoted)		
National Saving Certificate	10,000	10,000
Total	277,362,763	277,362,979
Aggregate amount of quoted investment - At cost	Nil	Nil
Aggregate amount of unquoted investment - At cost	219,769,971	219,770,187

Note:

- i Equity Component of Financial instrument comprises of following:
 - a. Recognition of notional commission premium on fair valuation of financial guarantee,
 - b. Recognition of equity component of interest free security deposit given to subsidiary.
- ii Investment in Zullinc Healthcare LLP includes fixed capital contribution made by the Company. The Company has also invested in Current Capital of the said LLP. Being current in nature and can be withdrawn at any time by the company, the same is being classified under "other current financial asset". (Refer Note 18)

Details in respect of investment in subsidiaries:

Name of the Company	Principle place of business/ Country of Incorporation	% of holding as at 31/03/2019	% of holding as at 31/03/2018
Lincoln Parenteral Limited	India	98.58	98.58
Savebux Enterprise Private Limited (Formerly known as Savebux Finance and Investment Private Limited)	India	100.00	100.00
Zullinc Healthcare LLP	India	100.00	100.00

9 Non-Current Loans

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Unsecured, considered good		
Security Deposits	155,759,863	146,692,903
Loans to related parties	Nil	Nil
Inter-Corporate Loans	25,000,000	16,197,163
Loans to others	133,005,626	62,824,490
Total	313,765,489	225,714,555

10 Other Non-Current Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Margin Money Deposit	122,420	Nil
Total	122,420	Nil

11 Other Non-Current Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Unsecured, considered good		
Prepayment charges	3,186,000	3,402,000
Advances for Capital Goods	58,375	728,219
Advance Income Tax :		
Advance Payment of Income Tax	186,591,076	89,899,428
Less: Provision for Income tax	(164,555,372)	(71,855,372)
Advance Income Tax (net)	22,035,704	18,044,056
Advance to Employees	2,206,895	Nil
Total	27,486,974	22,174,275

12 Inventories

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Raw materials	103,348,900	90,793,033
Work-in-Process	12,296,331	57,532,381
Finished Stock	40,413,986	39,741,707
Packing Material	29,567,619	38,966,160
Stock in Trade	109,112,493	137,878,974
Total	294,739,329	364,912,255

- Inventory of Raw Material includes material in transit- as on 31-03-2019 of ₹ Nil (as on 31-03-2018 ₹ Nil)
- Inventory of Finished Stock Includes Goods in Transit- as on 31-03-2019 ₹ 2,92,92,760/- (as on 31-03-2018 ₹ Nil)
- The cost of inventories recognised as an expenses includes ₹ Nil (during 2017-18 ₹ Nil) in respect of write-down of inventory to net realisable value, and has been reduced by ₹ Nil (during 2017-18 : ₹ Nil) in respect of the reversal of such write-down.
- Inventories pledged as Security with bank for borrowing as on 31-03-2019 of ₹ 29,47,39,329/- (as on 31-03-2018 ₹ 36,49,12,255/-)

13 Current Investments

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Investment in mutual fund at fair value through profit and loss		
39,47,201 (PY.39,47,201) units of SBI Savings Fund - Direct Plan - Growth	118,570,377	109,710,489
21,306.804 (PY.Nil) units of SBI Liquid Fund-Regular Plan-Growth	62,137,214	Nil
Total	180,707,591	109,710,489

14 Trade receivables

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Trade Receivables (Unsecured)		
Trade Receivable Considered Good - Unsecured	896,905,673	701,871,207
Less: Allowance for Expected Credit Loss	2,242,264	1,754,678
	894,663,409	700,116,529
Trade Receivable Credit Impaired-Unsecured	248,817,277	273,180,032
Less: Allowance for Expected Credit Loss	13,487,519	13,099,595
	235,329,758	260,080,437
Total	1,129,993,167	960,196,966

Notes:

- Details of receivables from firms / private companies in which directors of the company are partners / directors (Please refer note no. 53)
- The Company provides an allowance for impairment of doubtful accounts based on financial condition of the customer, aging of the trade receivable and historical experience of collections from customers. The activity in the allowance for impairment of trade receivables is given below:

Allowance Movement for Trade Receivables	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Balance at the beginning of the year	14,854,274	5,343,900
Add : Expected credit loss allowance made during the year	875,510	14,854,273
Less : Reversal of allowance made during the year	Nil	5,343,900
Closing Balance	15,729,784	14,854,274

15 Cash & Cash Equivalents

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Cash on hand	4,422,221	4,208,144
Bank Balance	48,671,624	60,279,099
Total	53,093,845	64,487,243

16 Current Loans

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Loans and advance to others	17,500,020	40,047,343
Total	17,500,020	40,047,343

17 Other Bank Balances

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Margin Money Deposit	19,875,371	17,778,640
Bank Balances Earmarked for Dividend	1,322,165	1,184,226
Total	21,197,536	18,962,866

18 Other Current Financial Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Current Capital Account in Zullinc Healthcare LLP (Refer Note 8)	10,398,646	9,316,598
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	166,882	Nil
Others	191,482	126,811
Total	10,757,010	9,443,408

19 Current Tax Assets (Net)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Advance Income Tax :		
Advance Payment of Income Tax	150,000,000	Nil
Less: Provision for Income tax	(142,900,000)	Nil
Total	7,100,000	Nil

20 Other Current Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Advances for Goods	83,154,529	206,451,833
Prepaid Expenses	7,694,316	11,465,730
Loans and advance to employees	5,836,303	2,584,096
Balances with Statutory Authorities	130,965,688	114,179,925
Graduity Fund	1,941,134	Nil
Other Current Assets	531,351	Nil
Total	230,123,321	334,681,584

21 Equity Share Capital

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
[i] Authorised Share Capital:		
2,00,00,000 (PY. 2,00,00,000) Equity shares of ₹10 each	200,000,000	200,000,000
[ii] Issued, Subscribed & Paid-up Capital :		
2,00,00,000 (PY. 2,00,00,000) Equity shares of ₹10 each fully paid	200,000,000	200,000,000
Total	200,000,000	200,000,000

(a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)
Shares at the beginning	20,000,000	200,000,000	20,000,000	200,000,000
Addition	Nil	Nil	Nil	Nil
Deletion	Nil	Nil	Nil	Nil
Shares at the end	20,000,000	200,000,000	20,000,000	200,000,000

- (b) The details of shareholders holding more than 5% shares is set out below.

Name of the Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
Digital Biotech Pvt. Ltd.	1,400,000	7.00%	1,400,000	7.00%

- (c) Rights, Preferences and Restrictions attached to equity shares

The company has only one type of equity share of ₹ 10 each listed on BSE & NSE. Each of the share holders has right give one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

- (d) The Company has not reserved any share for issue under options and contracts or commitments for the sale of shares or disinvestment.
- (e) There are no shares issued pursuant to contract without payment being received in cash or by way of bonus shares or equity shares bought back for the period of 5 years immediately preceding the balance sheet date.

22 Other Equity

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
a) Capital Reserve		
Balance as per last financial Statement	3,500,000	3,500,000
Add: Addition during the year	Nil	Nil
Closing Balance	3,500,000	3,500,000
b) Equity Securities Premium		
Balance as per last financial Statement	646,166,400	646,166,400
Add: Share premium received during the year	Nil	Nil
Closing Balance	646,166,400	646,166,400
c) General Reserve		
Balance as per last financial Statement	69,121,600	64,121,600
Add: Transfer from Statement of Profit & Loss	5,000,000	5,000,000
Closing Balance	74,121,600	69,121,600
d) Retained Earnings		
Profit and Loss:		
Balance as per last financial Statement	1,275,729,544	982,050,391
Add : Profit for the year	466,370,652	327,565,176
Less: Transfer to General reserve	(5,000,000)	(5,000,000)
Less: Final Dividend Paid	(30,000,000)	(24,000,000)
Less: Tax on Final Dividend	(6,166,590)	(4,886,023)
Net Surplus in the statement of profit and loss (i)	1,700,933,606	1,275,729,544
Other Comprehensive Income:		
Balance as per last financial Statement	885,567	(34,116)
Add: Remeasurement of Defined benefit plans (including deferred tax)	433,938	919,683
Net Surplus in the statement of other comprehensive income (ii)	1,319,505	885,567
Total Retained Earnings (i + ii)	1,702,253,111	1,276,615,111
Total	2,426,041,111	1,995,403,111

General Reserve: General reserve is created from time to time by transfer of profits from retained earnings. It does not include any item which is transferred from other comprehensive income or equity component of financial instruments. General Reserve is created for appropriation purposes.

Equity Security Premium: The amount received in excess of face value of the equity shares is recognised in equity security premium. Being realised in cash, the same can be utilised by the company for issuance of bonus shares.

Retained earnings: Retained earnings can be utilised by the company for distribution to its equity shareholders of the company. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Capital Reserve: Capital reserve was realised in cash and can be utilised by the company for issuance of bonus shares.

23 Non-Current Borrowings

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Secured Borrowing		
Term Loan from Banks	27,692,308	69,230,769
Less : Current maturities of long-term debt (Note No. 28)	15,384,615	11,538,462
Closing Balance	12,307,693	57,692,307
Vehicle Loan	7,459,172	5,267,362
Less : Current maturities of long-term debt (Note No. 28)	2,845,134	1,633,124
Closing Balance	4,614,038	3,634,238
Total	16,921,730	61,326,545

Notes:

- The company has availed the secured term loan from Yes Bank for windmill which is secured against exclusive hypothecation charge on windmill & personal gurranty of Three Promoter directors. The loan is payable in 84 monthly installment. Interest on said loan shall be payable at Yes Bank Limited Base Rate + 0.15% from time to time.
- Vehicle Loan includes loans from bank and finance companies. The Repayment period of these loans ranges from 12 to 36 months & Rate of interest ranging from 10% To 11%. These loans are secured against the asset under finance.
- Yearwise repayment schedules:

Year	As at March 31, 2019 ₹	As at March 31, 2018 ₹
FY.2018-19	Nil	13,171,587
FY.2019-20	18,229,750	16,852,155
FY.2020-21	14,500,275	16,071,869
FY.2021-22	1,621,343	16,864,060
FY.2022-23	800,112	11,538,461
Total	35,151,479	74,498,132

24 Other Non Current Financial Liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Trade Deposits	36,716,535	36,411,138
Liability for financial guarantee contracts	Nil	810,913
Total	36,716,535	37,222,050

25 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Deferred Tax Liabilities		
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	36,882,110	72,337,917
Unpaid Liabilities allowable in succeeding years u/s. 43B of the Income tax Act, 1961	Nil	359,630
Total Deferred Tax Liabilities	36,882,110	72,697,546
Deferred Tax Assets		
Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	487,894	Nil
Allowance for Expected Credit Losses	5,496,615	5,190,677
Unused Tax Credit	Nil	8,993,629
Total Deferred Tax Assets	5,984,510	14,184,306
Net Deferred Tax Liability	30,897,600	58,513,242

(Amount in ₹)

Movements in Deferred Tax Liabilities	Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	Allowance for Expected Credit Losses	Unused Tax Credit
At April 01, 2017 *	(79,465,627)	346,023	1,849,417	26,816,662
Charged/(credited):				
- to profit and loss	(7,127,710)	211,926	(3,341,260)	17,823,033
- to other comprehensive income	Nil	493,726	Nil	Nil
At March 31, 2018 *	(72,337,917)	(359,630)	5,190,677	8,993,629
Charged/(credited):				
- to profit and loss	(35,455,807)	(1,080,608)	(305,938)	8,993,629
- to other comprehensive income	Nil	233,084	Nil	Nil
At March 31, 2019 *	(36,882,110)	487,894	5,496,615	Nil

* Figures in bracket denotes Deferred Tax Liability.

26 Current Borrowings

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Secured Borrowing		
From Bank (Repayable on Demand)	247,777,107	432,292,282
Unsecured Borrowing		
From Bank (Repayable on Demand)	53,158,359	52,581,165
From Related Party	Nil	597,458
Total	300,935,465	485,470,905

Security :

Secured demand loans from Bank includes working capital loan from State Bank of India. This loan is secured against :

i) Primary Security :

Hypothecation of entire current assets of the company

ii) Collateral Security :

Charge over entire fixed assets of the company including

- Plot No. 137 of TP Scheme No. 42 land admeasuring area about 850 sq. mtrs and Final Plot No. 138 of TP Scheme No. 42 land admeasuring area about 1397 sq. mtrs. Both situated at Mouje Sola, Taluka Daskroi in registration district Ahmedabad and sub district Ahmedabad-2(Vadaj).
- Piece & Parcel of freehold land situated lying and being at Mouje Khatraj, Taluka Kalol, District Mehsana bearing subplots No. 9/A/1, 9/A/2, 10, 12/A, 12/B & 13 of Block No. 95 of Mouje Khatraj of Kalol taluka admeasuring 1692.94 Sq. mtrs, 3590.30 Sq. mtrs respectively i.e. collectively 12124.84 Sq. mtrs together with building thereon belonging to M/s Lincoln Pharmaceuticals Ltd. and
- Hypothecation of fixed assets of the company excluding windmill.

iii) Personal Guarantees of all three promoter directors.

27 Trade payables

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Payable to Micro and Small Enterprise	27,280,824	Nil
Payable to others	329,800,053	350,410,088
Total	357,080,878	350,410,088

Notes:

*Due to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors. The disclosure in respect of the MSMED Act, 2006 has been provided at note no. 57.

28 Other Current Financial Liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Current Maturity of long term borrowings (Note : 23)	18,229,749	13,171,586
Unpaid dividend	1,322,165	1,184,226
Interest accrued but not due on borrowings	249,307	595,880
Creditors for Property, Plant & Equipment	37,478,754	29,071,641
Salary and Wages payable	34,486,968	2,056,324
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	Nil	846,811
Credit Balance in Bank Current Account	Nil	4,277,050
Total	91,766,943	51,203,517

29 Other Current Liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Other Statutory dues	7,517,582	7,336,462
Other Payables	Nil	595,880
Total	7,517,582	7,932,342

30 Current Provisions

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Provision for Gratuity (refer note no. 45)	Nil	332,078
Total	Nil	332,078

31 Current Tax Liabilities (Net)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Provision For Income tax	Nil	92,700,000
Less: Advance Payment of Income Tax	Nil	(80,433,106)
Total	Nil	12,266,894

32 Revenue from operation

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Sale of Products:		
Finished Goods	3,410,871,436	3,174,850,177
Sale of services:		
Job Work Charges	29,075,984	24,123,070
Other Operating Revenue:		
Export Incentive	86,603,333	55,079,338
Scrap Sales	3,874,249	1,066,817
	90,477,582	56,146,155
Total	3,530,425,002	3,255,119,402

32 Revenue from operation (Contd...)
(a) Reconciliation of Revenue recognised in the statement of profit and loss with the Contracted price :-

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Gross Revenue	3,553,424,256	3,291,531,806
	3,553,424,256	3,291,531,806
Less: Rebate & Discount etc.	109,602,587	91,491,742
Revenue recognised from Contract with Customer	3,443,821,669	3,200,040,064

(b) Reconciliation of Revenue from operation with Revenue from contracts with Customers :-

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Revenue from operation	3,530,425,002	3,255,119,402
Less: Export incentive	86,603,333	55,079,338
Revenue from contracts with Customers	3,443,821,669	3,200,040,064

33 Other Income

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Interest Income:		
Interest from bank	8,700,969	7,335,187
Interest income on financial assets on Unwinding of discount	10,866,960	10,108,807
Interest from others	276,494	272,522
Dividend Income	Nil	2,064
Share of profit from subsidiaries	1,082,048	829,128
Commission on Financial Guarantee issued	810,912	1,081,217
Gain on fair valuation of Current Investments	8,997,102	9,259,298
MTM Loss on Fair Valuation of Derivative contracts	1,013,693	Nil
Gain on sale of Current Investments	363,737	48,085
Gain on sale of Non Current investments	144	Nil
Foreign Exchange Gain	33,642,267	28,693,143
Profit on sale of Property, Plant & Equipment	Nil	181,500
Miscellaneous Income	Nil	226,671
Total	65,754,326	58,037,621

34 Cost of Materials Consumed

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Raw Material		
Inventory at the beginning of the year	90,793,033	55,138,204
Add: Purchase	615,689,417	483,596,131
Less: Inventory at the end of the year	103,348,900	90,793,033
Cost of Consumption of Raw Material	603,133,550	447,941,302
Packing Materials		
Inventory at the beginning of the year	38,966,160	21,360,682
Add: Purchase	195,819,583	205,587,518
Less: Inventory at the end of the year	29,567,619	38,966,160
Cost of Consumption of Packing Materials	205,218,124	187,982,040
Total	808,351,674	635,923,342

35 Purchase of Stock in Trade

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Purchase of stock in trade	889,100,920	1,068,623,092
Total	889,100,920	1,068,623,092

36 Change In Inventories of Finished Goods, Work In Progress and Stock In Trade

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Stock in trade		
Stock at the Beginning of the financial year	137,878,974	159,337,722
Stock at the End of the financial year	109,112,493	137,878,974
	28,766,481	21,458,748
Finished Goods		
Stock at the Beginning of the financial year	39,741,707	66,665,267
Stock at the End of the financial year	40,413,986	39,741,707
	(672,279)	26,923,560
Work in Progress		
Stock at the Beginning of the financial year	57,532,381	16,215,098
Stock at the End of the financial year	12,296,331	57,532,381
	45,236,050	(41,317,283)
Summary		
Stock at the Beginning of the financial year	235,153,062	242,218,087
Stock at the End of the financial year	161,822,810	235,153,062
Change in inventory	73,330,252	7,065,025

37 Employee Benefit Expense

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Salary, Wages & Bonus	439,411,461	425,553,683
Contribution to Provident Fund & Other Funds	17,979,741	19,594,045
Staff welfare Expenses	26,614,415	29,932,499
Total	484,005,617	475,080,227

38 Finance Costs

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Interest Expense	29,831,107	38,666,434
Other Borrowing Cost	8,604,328	3,980,163
Total	38,435,435	42,646,597

39 Depreciation And Amortisation Expense

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Depreciation on Property, Plant & Equipment	48,365,401	42,759,561
Depreciation on Intangible Assets	825,907	1,233,429
Total	49,191,308	43,992,990

40 Other Expenses

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Power and Fuel	70,754,617	66,711,230
Labour Charges	92,228,282	79,321,904
Loading & Unloading Charges	262,616	219,515
Stores And Spares Consumption	6,686,085	7,021,003
Factory Expenses	7,120,669	5,648,938
Laboratory & Testing Charges	35,276,596	24,702,185
Provision for excise on closing inventory	Nil	(2,474,920)
Repairs & Maintenance:		
Building	21,178,443	3,628,477
Machinery	5,420,569	1,751,415
Other assets	10,391,080	7,964,741
	36,990,092	13,344,633
Loss On Sales Of Assets	1,976,532	504,959
Loss on sale of export licence	658,751	1,717,298
Amortisation of Lease Premium	216,000	216,000
Computer Expense	2,717,401	2,715,444
Rent	2,187,300	2,303,582
Rate & Taxes	21,505,405	16,687,602
Auditors' Remuneration (Refer Note No. 49)	900,000	900,000
Legal and Registration Expense	25,555,698	24,067,432
Professional & Consulting Fees	73,720,579	48,654,758
Inspection Fees	986,117	3,096,549
Conveyance & Vehicle Expense	5,712,891	5,821,437
Travelling Expense	48,150,791	47,292,218
Transportation Expense	22,851,388	24,512,008
Donation	279,950	898,006
Insurance	4,572,445	290,586
Office Expense	3,868,311	5,167,236
Post & Telephone Expense	5,089,254	4,366,230
Stationery, Printing & Xerox	5,173,484	4,801,398
Security Expense	4,164,548	3,722,634
CSR Expense	7,560,500	5,657,000
MTM Loss on Fair Valuation of Derivative contracts	Nil	1,658,477
Advertisement Expense	2,755,466	2,426,035
Sales Promotion & Marketing Expense	135,857,087	136,049,155
Sales Commission Expense	32,227,831	43,534,216
Bad debt Written off	6,742,319	9,845,220
Expected credit loss expenses	875,510	9,510,374
Miscellaneous Expense	6,717,684	2,358,619
Total	672,342,196	603,268,958

41 Income tax recognised in profit and loss

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Current tax	142,900,000	92,700,000
Tax expense related to prior period	Nil	3,149,154
	142,900,000	95,849,154
Deferred tax liability / (assets)	(27,848,726)	7,565,990
	(27,848,726)	7,565,990
Total	115,051,274	103,415,144

Income tax reconciliation

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Profit before tax	581,421,925	430,980,320
Tax expenses reported during the year	115,051,274	103,415,144
Income tax expenses calculated at 34.944% (PY.34.608%)	203,172,078	149,153,669
Difference	(88,120,804)	(45,738,525)
Permanent disallowances	8,517,925	4,486,803
Income not taxable under Income tax	(7,956,999)	(7,381,401)
Tax benefit available in respect of scientific research	(63,527,277)	(39,265,874)
Effect on deferred tax balances due to change in income tax rate	Nil	476,150
Utilisation of MAT Credit	(8,178,303)	(7,203,357)
Adjustment of current tax of prior years	(16,453,370)	3,149,154
Other Items	(522,780)	Nil
Total	(88,120,804)	(45,738,525)

42 Statement of Other Comprehensive Income

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(i) Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans		
Actuarial gain/(loss)	667,022	1,413,409
(ii) Income tax relating to these items that will not be reclassified to profit and loss		
Deferred tax impact on actuarial gain/(loss)	(233,084)	(493,726)
Total	433,938	919,683

43. Capital Commitment

Details of outstanding capital commitments are as under:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Estimated amount of contracts remaining to be executed on capital account and not provided for	58,375	1,524,813
Advance paid against such contracts	58,375	728,219
Remaining outstanding commitment	Nil	796,594

44. Contingent Liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Income Tax demands disputed in appeal by the Company / Income Tax Authorities. Against which amount of ₹Nil (PY.70,38,810/-) been deposited by the company	1,714,804	12,186,100
Corporate guarantee given by the company to banks on behalf of subsidiary	Nil	140,000,000
Outstanding amount of Bill discounted	Nil	72,874,448

45. Details of Employee Benefits:
(a) Defined Contribution Plans

The Company offers its employees benefits under defined contribution plans in the form of provident fund. Provident fund cover substantially all regular employees which are on payroll of the company. Both the employees and the Company pay predetermined contributions into the provident fund and approved superannuation fund. The contributions are normally based on a certain proportion of the employee's salary and are recognised in the Statement of Profit and Loss as incurred.

A sum of ₹ 13,74,888/- (March 31, 2018: ₹ 26,30,346/-) has been charged to the Statement of Profit and Loss in respect of this plan.

(b) Defined Benefit Plan - Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and the amounts recognized in the Balance Sheet for the plan:

A. Expenses Recognized during the period

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
In Income Statement	2,041,910	4,043,755
In Other Comprehensive (Income) / loss	(667,022)	(1,413,409)
Total Expenses Recognized	1,374,888	2,630,346

A1. Expenses Recognized in the Income Statement

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Current Service Cost	2,015,742	2,249,058
Past Service Cost	Nil	1,387,116
Loss / (Gain) on settlement	Nil	Nil
Net Interest Cost	26,168	407,581
Expenses Recognized in the Statement of Profit and Loss	2,041,910	4,043,755

A2. Other Comprehensive Income

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Actuarial (gains) / losses on Obligation for the period	(894,583)	(1,528,803)
Return on plan assets, excluding amount recognized in net interest expense	227,561	115,394
Components of defined benefit costs recognized in other comprehensive income	(667,022)	(1,413,409)

B. Net Liability recognized in the balance sheet

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Present Value of Obligation	(16,260,735)	(15,587,199)
Fair value of plan assets	18,201,869	15,255,120
Surplus / (Deficit)	1,941,134	(332,079)
Net (Liability) recognized in the Balance sheet	1,941,134	(332,079)

B1. Changes in the Present value of Obligation

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Present Value of Obligation as at the beginning	15,587,199	13,205,044
Current Service Cost	2,015,742	2,249,058
Interest Expense or Cost	1,228,271	993,019
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	321,236	(525,967)
- change in demographic assumptions	Nil	(1,080,883)
- experience variance	(1,215,819)	78,047
Past Service Cost	Nil	1,387,116
Benefits Paid Directly from Employer	(1,648,101)	(718,235)
Benefit Paid from the Fund	(27,793)	Nil
Present Value of Obligation as at the end of the year	16,260,735	15,587,199

B2. Changes in the Fair Value of Plan Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Fair value of Plan Assets at the beginning of the year	15,255,120	7,785,076
Interest Income	1,202,103	585,438
Contribution by Employer	2,000,000	7,000,000
(Benefit paid from the Fund)	(27,793)	Nil
Return on Plan Assets, Excluding Interest Income	(227,561)	(115,394)
Fair Value of Plan Assets at the end of the year	18,201,869	15,255,120

C. Actuarial Assumptions

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Discount Rate	7.69%	7.88%
Expected rate of salary increase	6.50%	6.50%
Expected Return on Plan Assets	7.69%	7.88%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Rate of Employee Turnover	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.
Retirement Age	58 Years	58 Years

D. Sensitivity Analysis

Particulars	Gratuity	
	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
	₹	₹
Defined Benefit Obligation (Base)	16,260,735	15,587,199

Particulars	Year Ended March 31, 2019 ₹		Year Ended March 31, 2018 ₹	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1,878,551	(1,579,354)	1,547,545	(1,300,791)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(1,609,383)	1,882,179	(1,327,662)	1,553,518
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	(155,167)	128,586	(164,450)	138,398

E. Maturity Profile of Project Benefit Obligation

Particulars	Gratuity	
	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
Weighted average duration (based on discounted cash flows)	12	12

Expected cashout flows over the next (valued on undiscounted basis):	Gratuity	
	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
1 year	2,110,573	4,027,965
2 to 5 years	2,848,155	2,265,422
6 to 10 years	4,947,499	4,052,188
10 year and Above	36,412,384	31,264,845

F. Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

- Interest Rate Risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- Salary Escalation Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

46. Segment Reporting

The Company's management, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and accordingly, based on the principles for determination of segments given in Indian Accounting Standard 108 "Operating Segments" and in the opinion of management the Company is primarily engaged in the

business of “Pharmaceutical Products”. All other activities of the Company revolve around the main business and as such there is no separate reportable business segment.

Details of entity wide disclosures for this segment are given as below:

Entity-wide disclosures

(i) Bifurcation of Net sales to external customers by geographic area on the basis of location of customers:

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
India	1,556,090,830	2,011,050,677
Outside India	1,974,334,172	1,244,068,725
Total	3,530,425,002	3,255,119,402

(ii) Bifurcation of total non-current assets of the company by geographical area on the basis of location of the asset:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
India	1,522,666,025	1,357,638,619
Outside India	Nil	Nil
Total	1,522,666,025	1,357,638,619

(iii) Details of customer contributing 10% or more of total revenue :

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
No. of customers contributing 10% or more of total revenue (individually)	1	Nil
Amount of revenue	390,696,640	Nil
% of total revenue	10.86	Nil

47 Fair Value Measurements

Financial instrument by category and their fair value

(Amount in ₹)

As at March 31, 2019	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments									
Non Current	8	Nil	Nil	18,000	18,000	Nil	Nil	Nil	Nil
Current	13	180,707,591	Nil	Nil	180,707,591	180,707,591	Nil	Nil	180,707,591
Non Current Loans	9	Nil	Nil	313,765,489	313,765,489	Nil	Nil	Nil	Nil
Current Loans	16	Nil	Nil	17,500,020	17,500,020	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	1,129,993,167	1,129,993,167	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	15	Nil	Nil	53,093,845	53,093,845	Nil	Nil	Nil	Nil
Other Bank Balances	17	Nil	Nil	21,197,536	21,197,536	Nil	Nil	Nil	Nil
Non Current Other financial assets	10	Nil	Nil	122,420	122,420	Nil	Nil	Nil	Nil
Other Current Financial Assets	18	Nil	Nil	10,757,010	10,757,010	Nil	Nil	Nil	Nil
Total Financial Assets		180,707,591	Nil	1,546,447,487	1,727,155,078	180,707,591	Nil	Nil	180,707,591

As at March 31, 2019	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities									
Borrowings									
Non Current	23	Nil	Nil	16,921,730	16,921,730	Nil	Nil	Nil	Nil
Current	26	Nil	Nil	300,935,465	300,935,465	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	24	Nil	Nil	36,716,535	36,716,535	Nil	Nil	Nil	Nil
Current	28	Nil	Nil	91,766,943	91,766,943	Nil	Nil	Nil	Nil
Trade Payables	27	Nil	Nil	357,080,878	357,080,878	Nil	Nil	Nil	Nil
Total Financial Liabilities		Nil	Nil	803,421,551	803,421,551	Nil	Nil	Nil	Nil

As at March 31, 2018	Note Reference	Carrying Amount			Fair Value (only those items which are recognised at FVTPL / FVTOCI)				
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments									
Non Current	8	Nil	Nil	18,000	18,000	Nil	Nil	Nil	Nil
Current	13	109,710,489	Nil	Nil	109,710,489	109,710,489	Nil	Nil	109,710,489
Non Current Loans	9	Nil	Nil	225,714,555	225,714,555	Nil	Nil	Nil	Nil
Current Loan	16	Nil	Nil	40,047,343	40,047,343	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	960,196,966	960,196,966	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	15	Nil	Nil	64,487,243	64,487,243	Nil	Nil	Nil	Nil
Other Bank Balances	17	Nil	Nil	18,962,866	18,962,866	Nil	Nil	Nil	Nil
Other Current Financial Assets	18	Nil	Nil	9,443,408	9,443,408	Nil	Nil	Nil	Nil
Total Financial Assets		109,710,489	Nil	1,318,870,382	1,428,580,871	109,710,489	Nil	Nil	109,710,489

Financial Liabilities									
Borrowings									
Non Current	23	Nil	Nil	61,326,545	61,326,545	Nil	Nil	Nil	Nil
Current	26	Nil	Nil	485,470,905	485,470,905	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	24	810,913	Nil	36,411,138	37,222,050	Nil	Nil	810,913	810,913
Current	28	846,811	Nil	50,356,706	51,203,517	Nil	Nil	846,811	846,811
Trade Payables	27	Nil	Nil	350,410,088	350,410,088	Nil	Nil	Nil	Nil
Total Financial Liabilities		1,657,724	Nil	983,975,382	985,633,105	Nil	Nil	1,657,724	1,657,724

The above fair value hierarchy explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost for which fair values are disclosed in the financial statements. To provide the indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments in to three levels prescribed is as under:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

There were no transfers between the levels during the year

Valuation process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively.

The carrying amount of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

48 Financial risk management

The Company's activities expose it to a variety of financial risks, including credit risk, market risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor such risks and compliance with the same.

The Company's risk management is governed by policies and approved by the board of directors. Company identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The company has policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures the results of which are reported to the audit committee.

I Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables), cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to trade receivables as low as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The history of trade receivables shows a negligible provision for bad and doubtful debts. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments. The company has adopted simplified approach of ECL model for impairment.

1) Trade Receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment. The Company with various activities as mentioned above manages credit risk. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation of the same is based on historical data. The Company does not hold collateral as security.

The Company reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Company also calculates the expected credit loss (ECL) for non-collection of receivables. The Company makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Company retains the provision made for doubtful debts without any adjustment.

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹1,57,29,783/- as at March 31, 2019 and ₹ 1,48,54,273/- as at March 31, 2018. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

Movement in allowance for Expected Credit Loss	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Balance at the beginning of the year	14,854,274	5,343,900
Add : Allowance made during the year	875,510	14,854,273
Less : Reversal of allowance made during the year	Nil	5,343,900
Balance at the end of the year	15,729,784	14,854,274

2) Financial assets that are neither past due nor impaired

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at each balance sheet date.

II Liquid Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities including approved borrowing facilities sanctioned by the Parent Company, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Long-term borrowings generally mature between One to Ten years. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's policy is to manage its borrowings centrally using mixture of long-term and short-term borrowing facilities to meet anticipated funding requirements.

The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lender. As of March 31, 2019, March 31, 2018; the Company had unutilized credit limits from banks of ₹54,81,63,507/- and ₹ 10,01,23,224/- respectively. The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹)						
Contractual maturities of financial liabilities as at March 31, 2019	Carrying Amount	Contractual Cash Flows				Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	
Borrowings:						
Non Current (Refer Note.23)	16,921,730	Nil	14,500,275	2,421,455	Nil	16,921,730
Current (Refer Note.26)	300,935,465	300,935,465	Nil	Nil	Nil	300,935,465
Other Financial Liabilities:						
Non Current (Refer Note.24)	36,716,535	Nil	36,716,535	Nil	Nil	36,716,535
Current (Refer note.28)	91,766,943	91,766,943	Nil	Nil	Nil	91,766,943
Trade Payables (Refer Note.27)	357,080,878	357,080,878	Nil	Nil	Nil	357,080,878
Total	803,421,551	749,783,286	51,216,810	2,421,455	Nil	803,421,550

Contractual maturities of financial liabilities as at March 31, 2018	Carrying Amount	Contractual Cash Flows				Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	
Borrowings:						
Non Current (Refer Note.23)	61,326,545	Nil	16,852,155	44,474,390	Nil	61,326,545
Current (Refer Note.26)	485,470,905	485,470,905	Nil	Nil	Nil	485,470,905
Other Financial Liabilities:						
Non Current (Refer Note.24)	37,222,050	Nil	37,222,050	Nil	Nil	37,222,050
Current (Refer Note.28)	51,203,517	51,203,517	Nil	Nil	Nil	51,203,517
Trade Payables (Refer Note.27)	350,410,088	350,410,088	Nil	Nil	Nil	350,410,088
Total	985,633,105	887,084,510	54,074,205	44,474,390	Nil	985,633,105

III Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and commodity risk.

a) Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's foreign exchange risk arises mainly from following activities:

Foreign currency revenues and expenses (primarily in USD and EURO) : A portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. As of March 31, 2019, the Company had entered into derivative contracts of ₹5,92,26,103/-(PY. ₹ 8,33,02,611/-) to hedge exposure to fluctuations in foreign currency risk. The below sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

Company does not use derivative financial instruments for trading or speculative purposes.

i) The following table analyses foreign currency risk from non-derivative financial instruments as at each balance sheet date:

Particulars	Currency	As at March 31, 2019 ₹	As at March 31, 2018 ₹
a) Trade Receivables (Against Export)	USD	6,543,618	4,413,864
	INR	452,630,531	287,095,823
	EURO	434,657	385,362
	INR	33,772,849	31,068,731
b) Trade Payables (Against import - including capital import)	USD	146,636	13,600
	INR	10,143,003	884,600
Net Statement of Financial Exposure (a - b)	USD	6,396,982	4,400,264
	INR	442,487,529	286,211,223
	EURO	434,657	385,362
	INR	33,772,849	31,068,731

Note - Figures in bracket denotes credit balance.

ii) Foreign Currency Risk Sensitivity

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD and Euro currencies). The same is summarized as below:

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
	₹		₹	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	23,138,677	(23,138,677)	14,399,021	(14,399,021)
EURO	1,688,642	(1,688,642)	1,553,437	(1,553,437)
Total	24,827,319	(24,827,319)	15,952,458	(15,952,458)

b) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's short-term borrowings with floating interest rates.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

i) Exposure to interest rate risk

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
Fixed Rate Borrowings (Refer Note No. 23)	7,459,172	5,267,362
Variable Rate Borrowings (Refer Note No. 23,26 & 28)	328,627,773	554,701,674
Total	336,086,945	559,969,036

For details of the Company's short-term and long term loans and borrowings including interest rate profiles, refer to Note No. 23,26 & 28 of these financial statements.

ii) Interest Rate Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	₹	₹
50bp increase would decrease the profit before tax by	(1,643,139)	(2,773,508)
50bp decrease would increase the profit before tax by	1,643,139	2,773,508

c) Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2019, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

49 Capital Management:

The Company's capital management is intended to maximise the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Company and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance.

The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Non Current Borrowing (Refer Note.23)	16,921,730	61,326,545
Current Borrowing (Refer Note.26)	300,935,465	485,470,905
Current maturity of long term borrowing (Refer Note.28)	18,229,749	13,171,586
Total Borrowing	336,086,945	559,969,036
Cash and cash Equivalents (Refer Note.15)	(53,093,845)	(64,487,243)
Net debt	282,993,100	495,481,793
Equity	2,626,041,111	2,195,403,111
Net debt to equity ratio	11.00%	23.00%

50. Details of Payment to Auditors (Refer Note No. 40):

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Payment to auditors:		
To Statutory Auditor:		
Audit fee	600,000	600,000
Taxation matters	300,000	300,000
Total	900,000	900,000

51. Research and development expenditure:

The Company's in house R&D unit has been approved by Government of India, Ministry of Science & Technology, Department of Scientific and Industrial Research, New Delhi. The Company's in house R&D unit is also approved for weighted deduction U/S 35(2) and (2AB) of the Income Tax act, 1961.

Details of Capital & Revenue Expenditure of R&D unit approved by DSIR during the year is as below:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Capital	Revenue	Capital	Revenue
Plant & Machinery	32,063,300	Nil	35,314,069	Nil
R&D Building	Nil	Nil	Nil	Nil
Electrical Equipment	1,025,337	Nil	359,000	Nil
Furniture & Fixture	1,326,288	Nil	43,604	Nil
Personnel Expenses	Nil	30,821,537	Nil	28,942,390
Material Consumption	Nil	27,606,919	Nil	10,400,115
Manufacturing expense	Nil	28,695,980	Nil	22,653,987
Administration Expenses	Nil	2,258,270	Nil	6,484,642
Total Amount Eligible for deduction U/s 35(2AB) of the income Tax Act, 1961.	34,414,925	89,382,705	35,716,673	68,481,135
Capital work-in-progress	10,981,391	Nil	135,741	Nil
Total Amount Eligible for deduction U/s 35(2) of the income Tax Act, 1961.	10,981,391	Nil	135,741	Nil
Total	45,396,316	89,382,705	35,852,414	68,481,135

52. Earnings Per Share (EPS)

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Net Profit / (Loss) for calculation of basic / diluted EPS	466,370,652	327,565,176
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	20,000,000	20,000,000
Basic and Diluted Earnings/(Loss) Per Share	23.32	16.38
Nominal Value of Equity Shares	23.32	16.38

A. Reconciliation on Amount of EPS

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	23.32	16.38
Total basic earnings per share attributable to the equity holders of the company	23.32	16.38
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	23.32	16.38
Total diluted earnings per share attributable to the equity holders of the company	23.32	16.38

B. Reconciliations of earnings used in calculating earnings per share

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	466,370,652	327,565,176
(b) Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company:		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	466,370,652	327,565,176

C. Weighted average number of shares used as the denominator

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a) Basic earnings per share		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,000,000	20,000,000
(b) Diluted earnings per share		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	20,000,000	20,000,000

D. Increase / decrease in EPS due to retrospective restatement of prior period error

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a) Basic earnings per share	Nil	(0.14)
(b) Diluted earnings per share	Nil	(0.14)

52. Related Parties Disclosures
(i) List of related parties:

Name of related party	Nature of relationship
Lincoln Parenteral Limited	Subsidiary
Zullinc Healthcare LLP	Subsidiary
Savebux Enterprise Private Limited (Formerly known as Savebux Finance and Investment Private Limited)	Subsidiary

Key Managerial Personnel:

Mahendra G Patel	Managing Director
Rajnikant G Patel	Director
Ashish R Patel	Whole-Time Director
Hasmukh I Patel	Whole-Time Director
Munjal M Patel	Whole-Time Director
Arvindbhai G Patel	Director
Ishwarlal A Patel	Director
Darshit A Shah	Chief Financial Officer
Bhavik P Parikh	Company Secretary

Entities in which Key managerial personnel and/or their relatives have control:

Avis Travels	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Finance Pvt Ltd	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Travels LLP	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Travels Pvt Ltd	Entity controlled by Key Managerial Personnel/ or their relatives
Sunmed corporation LLP	Entity controlled by Key Managerial Personnel/ or their relatives
Shardaben gulabdas Patel Public Charitable Trust	Entity controlled by Key Managerial Personnel/ or their relatives
Shree Corporation	Entity controlled by Key Managerial Personnel/ or their relatives
Ashish R Patel HUF	Entity controlled by Key Managerial Personnel/ or their relatives
Mahendra G Patel HUF	Entity controlled by Key Managerial Personnel/ or their relatives
Munjal M Patel HUF	Entity controlled by Key Managerial Personnel/ or their relatives

Relatives of Key Managerial Personnel:

Anand A Patel	Son of Mr. Arvindbhai G Patel
Dharmisthaben H Patel	Wife of Mr. Hasmukh I Patel
Hansaben A Patel	Wife of Mr. Arvindbhai G Patel
Jigar H Patel	Son of Mr. Hasmukh I Patel
Mansi M Patel	Wife of Mr. Munjal M Patel
Nidhi M Patel	Daughter of Mr. Mahendra G Patel
Aniruddh H Patel	Son of Mr. Hasmukh I Patel
Shardaben G Patel	Mother of Mr. Mahendra G Patel, Mr. Rajnikant G Patel & Mr. Arvindbhai G Patel
Shivani B Shah	Wife of Mr. Ashish R Patel
Siddarth R Patel	Son of Mr. Rajnikant G Patel
Kailashben M Patel	Wife of Mr. Mahendra G Patel
Kalpanaben R Patel	Wife of Mr. Rajnikant G Patel

(ii) Transactions during the period and balances outstanding with related parties are as under:

Transactions with related parties during the year:

Name of related party	Nature of Transaction	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Lincoln Parenteral Limited	Purchase of goods	469,195,750	283,667,437
	Sale of products	46,781,557	4,395,240
	Jobwork charges	5,964,998	1,791,088
	Interest income on Unwinding of discount	10,866,960	10,108,807
	Sale of services (Job Work Charges)	Nil	57,322
	Guarantee commission income	810,912	1,081,217
Zullinc Healthcare LLP	Advance given	Nil	3,100,000
	Advance settled	Nil	3,100,000
	Sale of products	2,532,699	1,620,820
	Share of profit	1,082,048	829,128
Savebux Enterprise Private Limited (Formerly known as Savebux Finance and Investment Private Limited)	Investment in equity instruments	Nil	20,000,000
	Advance given	160,000	Nil
Avis Travels	Travelling expenses	589,367	9,392,586
Downtown Finance Pvt Ltd	Interest expenses	Nil	663,842
	Dividend Paid	159,000	127,200
	Loan repaid	597,458	14,185,000
	Loan taken	Nil	3,028,285
	Advance taken (bill discounting)	Nil	Nil
	Advance repaid (bill discounting)	Nil	Nil
Downtown Travels LLP	Travelling expenses	926,440	723,987
	Dividend Paid	712,500	712,500
Sunmed Corporation LLP	Commission	590,000	1,850,000
	Dividend Paid	750,000	600,000
Shardaben Gulabdas Patel Public Charitable Trust	CSR contribution	5,280,500	3,500,000
Shree Corporation	Commission	Nil	1,850,000
	Advance Received back	242,500	Nil
	Advance given	1,258,750	242,500
Ashish R Patel HUF	Commission	Nil	1,500,000
Mahendra G Patel HUF	Advance given	Nil	950,000
	Commission	1,180,000	Nil
Munjal M Patel HUF	Commission	1,180,000	600,000
	Advance given	Nil	380,000
Ashish R Patel	Remuneration	3,350,166	3,210,841
Hasmukh I Patel	Remuneration	2,374,414	2,288,302
	Dividend Paid	560,400	448,320
Mahendra G Patel	Remuneration	1,857,142	1,811,719
	Dividend Paid	414,750	331,800
	Rent	750,000	665,000
Munjal M Patel	Remuneration	2,069,620	2,003,605

Name of related party	Nature of Transaction	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
	Dividend Paid	885,750	708,600
Rajnikant G Patel	Remuneration	1,280,940	336,795
	Dividend Paid	458,100	366,480
	Commission	Nil	1,500,000
Darshit A Shah	Remuneration	697,294	601,884
Bhavik P Parikh	Remuneration	153,434	151,470
Kailashben M Patel	Rent	1,250,000	1,180,000
	Dividend Paid	120,000	96,000
Kalpanaben R Patel	Commission	Nil	1,500,000
	Dividend Paid	439,650	351,720
Anand A Patel	Dividend Paid	198,000	158,400
Arvindbhai G Patel	Dividend Paid	166,500	133,200
Ashish R Patel	Dividend Paid	794,703	635,762
Dharmisthaben H Patel	Dividend Paid	97,505	78,004
Hansaben A Patel	Dividend Paid	175,800	140,640
Ishwarlal A Patel	Dividend Paid	75,600	60,480
Jigar H Patel	Dividend Paid	76,800	61,440
Mansi M Patel	Dividend Paid	1,200,000	960,000
Nidhi M Patel	Dividend Paid	81,000	64,800
Aniruddh H Patel	Dividend Paid	76,800	61,440
Nishit M Patel	Dividend Paid	272,850	218,280
Shardaben G Patel	Dividend Paid	47,100	37,680
Shivani B Shah	Dividend Paid	303,000	242,400
Siddarth R Patel	Dividend Paid	630,002	504,001

Compensation to Key Managerial Personnel:

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Short term Employee benefit	11,783,010	10,404,616

Balances outstanding at each reporting date:

Name of related party	Nature of Amount	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Lincoln Parenteral Limited:			
Investment in equity instruments	Non-current investments	199,251,971	199,252,187
Investment in other equity instruments	Non-current investments	57,592,792	57,592,792
Security deposits	Non-current loans	155,759,863	134,784,095
Liability for financial guarantee contracts	Non-current financial liability	Nil	(1,892,129)
Advances to Supplier	Other Current Asset	36,354,904	96,896,965
Outstanding receivable	Trade receivables	Nil	Nil

Name of related party	Nature of Amount	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Zullinc Healthcare LLP:			
Investment in equity instruments	Non-current investments	500,000	500,000
Share of profit receivable	Other current financial assets	10,398,646	9,316,598
Outstanding receivable	Trade receivables	133,726,749	133,726,749
Savebux Enterprise Private Limited (Formerly known as Savebux Finance and Investment Private Limited)			
Investment in equity instruments	Non-current investments	20,000,000	20,000,000
Advances given	Other current assets	160,000	Nil
Downtown Finance Pvt Ltd:			
Intercompany deposits	Current borrowings	Nil	(597,458)
Loans given	Non-current loans	Nil	Nil
Outstanding payables	Trade payables	Nil	Nil
Sunmed corporation LLP:			
Advance to suppliers	Other current assets	9,950,000	11,125,000
Outstanding receivables	Trade receivables	Nil	(589,835)
Outstanding payables	Trade payables	Nil	Nil
Avis Travels	Trade payables	31	(320,130)
Downtown Travels LLP	Trade payables	(1,416,225)	(507,408)
Downtown Travels Pvt. Ltd.	Trade payables	Nil	Nil
Mahendra G Patel HUF	Trade payables	Nil	950,000
Munjal M Patel HUF	Trade payables	Nil	380,000
Ashish R Patel	Other current Financial Liability	237,248	Nil
Mahendra G Patel	Trade payables	Nil	86,500
Munjal M Patel	Trade payables	Nil	175,815
Kailashben M Patel	Trade payables	Nil	(612,000)
Hasmukh I Patel	Other current Financial Liability	88,232	Nil
Bhavik P Parikh	Other current Financial Liability	12,291	Nil
Darshit A Shah	Other current Financial Liability	47,248	Nil

Note: Figures in bracket denotes credit balance.

(iii) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186(4) of the Companies Act, 2013:

Particulars	Purpose	Closing Balance	
		As at March 31, 2019 ₹	As at March 31, 2018 ₹
Loans & Advances in the nature of Loans to Subsidiaries			
Lincoln Parenteral Limited (Security Deposits)	Business Purpose	155,759,863	134,784,095
Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount			
Downtown Finance Pvt Ltd	Business Purpose	Nil	Nil

Particulars	Purpose	Maxium Amount Outstanding	
		Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Loans & Advances in the nature of Loans to Subsidiaries			
Lincoln Parenteral Limited (Security Deposits)	Business Purpose	155,759,863	134,784,095
Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount			
Downtown Finance Pvt Ltd	Business Purpose	Nil	Nil

54. Changes in Liabilities arising from Financial Activities

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Opening Balance	985,633,105	862,230,428
Cash inflow of non-current borrowings	Nil	Nil
Cash outflow of non-current borrowings	(39,346,651)	(14,408,771)
Changes in current borrowings cash flows	(184,535,440)	44,195,726
Changes in trade payable cash flows	6,670,790	100,991,736
Change in other current financial liability	28,153,595	(3,814,663)
Change in other non-current financial liability	305,397	1,792,224
Others	6,540,755	(5,353,576)
Closing Balance	803,421,551	985,633,104

55. Details Of Hedged And Unhedged Exposure in Foreign Currency Denominated Monetary Items
a Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	Number of Contracts	Sell Amount in Foreign Currency	Indian ₹ Equivalent
Forward contract to sell USD - As at 31/03/2019	3	2,666,425	59,226,103
Forward contract to sell USD - As at 31/03/2018	6	790,683	51,406,251
Forward contract to sell EURO - As at 31/03/2018	2	400,000	31,896,360

b Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2019 are as under:

Currency	Payable (In FC)		Receivable (In FC)	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
USD	146,636	13,600	6,543,618	4,413,864
EURO	Nil	Nil	434,657	385,362

Currency	Payable (In INR)		Receivable (In INR)	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
USD	10,143,003	884,600	452,630,531	287,095,823
EURO	Nil	Nil	33,772,849	31,068,731

56. Corporate Social Responsibility

Details of amount required to be spent by the company towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 is stated as below:

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Gross amount required to be spent by the company during the year	7,450,000	5,622,344
Amount Spent during the year on		
(i) Construction/ Acquisition of any assets		
In Cash	Nil	Nil
Yet to be paid	Nil	Nil
(ii) On purpose other than (i) above		
In Cash	7,560,500	5,657,000
Yet to be paid	Nil	Nil

57. Due to Micro and Small Enterprise

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
a) The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	27,280,824	Nil
b) Interest due thereon	922,233	Nil
c) Amount of interest paid by the Company in terms of section 16 of MSMED Act	Nil	Nil
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 2006	Nil	Nil
e) Amount of interest accrued and remaining unpaid at the end of accounting year	922,233	Nil
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company and the same has been relied by the Auditor.

58. Dividends

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Equity shares		
Final dividend for the year ended 31 March 2018 of ₹1.50/- (31 March 2017 – ₹1.20) per fully paid share has been distributed	30,000,000	24,000,000
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹1.50/- per fully paid equity share (31 March 2018 – ₹1.50/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	30,000,000	30,000,000

59. Assets Pledged as Security

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Non-Current Assets		
Property Plant & Equipment	880,264,539	826,120,340
Total Non Current Assets pledged as Security	880,264,539	826,120,340
Current Assets		
Inventories	294,739,329	364,912,255
Financial Assets		
Investments	180,707,591	109,710,489
Trade Receivable	1,129,993,167	960,196,966
Cash and cash equivalents	53,093,845	64,487,243
Loans	17,500,020	40,047,343
Other Bank Balance	19,875,371	17,778,640
Other Financial Assets	10,757,010	9,443,408
Other Current Assets	230,123,321	334,681,584
Total Current Assets pledged as Security	1,936,789,654	1,901,257,928
Total Assets Pledged as Security	2,817,054,194	2,727,378,268

Note: Asset pledge as security includes the Securities hypothecated with the bank for current and non-current borrowing by the company.

60. Subsequent Events:

Subsequent to Balance sheet date, there are no events occurred which require disclosure or adjustment in the financial statement.

As per our report of even date attached herewith

In terms of our report attached.

For J.T. Shah & Co.

Chartered Accountants

(Firm Regd. No. 109616W)

(J.T. Shah)

Partner

(M.No.3983)

Place : Ahmedabad

Date : 30.05.2019

For and on behalf of the Board of Directors of

Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad

Date : 30.05.2019

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Lincoln Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Lincoln Pharmaceuticals Limited** (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **31st March, 2019**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act of the consolidated state of affairs (consolidated financial position) of the group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flow and the consolidated change in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in paragraph 15 of the other matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Measurement of Expected Credit Loss on Trade Receivables	
Trade receivables amount to ₹ 1,22,46,92,228/- after providing for an impairment based on expected credit loss method of ₹ 1,72,48,439/-. The measurement of expected credit loss is based on provision matrix that identifies receivables on number of days remaining outstanding and empirical data on recoverability. This Provision matrix requires to be updated regularly based on the circumstantial evidences which may result in significant variation in measurement from one period to other.	<p>The management's estimations for impairment based on expected credit loss method, our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained a list of receivables • We analysed the aging of receivables; • Identified any receivables with financial difficulty through discussion with management; • We obtained receivables balance confirmations on a sample basis; • Tested subsequent settlement of receivables after the balance sheet date on a sample basis; • In respect of receivables overdue for a period of 90 days or more, we assessed the recoverability through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

Information other than the Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management Discussion & Analysis, Report on Corporate governance and Director's report, , but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and as may be legally advised.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated change in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind As specified under section 133 of the Act. The holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS Financial statements. Further in terms of the provision of the Act, the respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction,

supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

15. Other Matters

- (a) We did not audit the financial statements / financial information of 2 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 18,34,29,190/- as at 31st March, 2019 and total revenues of ₹ 3,62,56,479/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

16. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the act, none of the directors of the Group companies covered under the Act, are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statement has disclosed the impact of pending litigations on its financial position in the Consolidated financial statements; (Refer Note No. 45 to the financial statements);
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For, J.T. Shah & Co.
Chartered Accountants,
[Firm Regd. No. 109616W]

Place: Ahmedabad
Date: 30/05/2019

(J. T. Shah)
Partner
[M. No. 3983]

ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 16(f) of our Report of even date to the Members of **Lincoln Pharmaceuticals Limited** for the year ended **31st March, 2019**.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In Conjunction with our audit of Consolidated Ind AS financial statements of the Company for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of **Lincoln Pharmaceuticals Limited** (hereinafter referred to as the “Holding Company”) and its Subsidiary Companies as of that date.

Management’s Responsibility for Internal Financial Controls

The respective board of Directors of the Holding, its Subsidiary Companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding and its Subsidiary Companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding and Its Subsidiaries.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanation given to us, Holding and its Subsidiary Companies have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, J.T. Shah & Co.
Chartered Accountants,
[Firm Regd. No. 109616W]

(J. T. Shah)
Partner
[M. No. 3983]

Place: Ahmedabad
Date: 30/05/2019



LINCOLN

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	As at March 31, 2019 ₹	As at March 31, 2018 ₹
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	5	1,112,560,214	1,070,143,123
(b) Capital work-in-progress	6	20,969,008	2,911,549
(c) Goodwill on consolidation	7	92,256,280	92,256,360
(d) Other Intangible assets	7	4,240,645	3,354,920
(e) Financial Assets			
(i) Investments	8	855,626	870,626
(ii) Loans	9	158,005,626	90,498,213
(iii) Others	10	122,420	Nil
(f) Other non-current assets	11	55,383,838	28,954,224
Total Non - Current Assets		1,444,393,657	1,288,989,015
2 Current assets			
(a) Inventories	12	362,257,501	454,114,612
(b) Financial Assets			
(i) Investments	13	180,707,591	109,710,489
(ii) Trade receivables	14	1,224,692,228	1,094,407,980
(iii) Cash and cash equivalents	15	54,567,985	65,679,016
(iv) Other Bank balances	16	21,197,536	80,193,818
(v) Loans	17	17,500,020	40,047,343
(vi) Other financial assets	18	468,778	193,971
(c) Current Tax Assets (Net)	19	7,461,764	Nil
(d) Other current assets	20	339,182,754	339,014,711
Total Current Assets		2,208,036,157	2,183,361,939
Total Assets (1+2)		3,652,429,813	3,472,350,954
B EQUITY AND LIABILITIES			
1 Equity			
(a) Share capital	21	200,000,000	200,000,000
(b) Other Equity	22	2,493,445,337	2,042,179,511
Equity attributable to equity holders of the company		2,693,445,337	2,242,179,511
(c) Non-controlling interest	23	3,551,540	3,265,090
Total equity		2,696,996,877	2,245,444,601
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	16,921,731	69,268,978
(ii) Other financial liabilities	25	36,716,535	36,411,138
(b) Deferred Tax Liabilities (Net)	26	55,818,277	71,877,853
Total Non - Current Liabilities		109,456,543	177,557,968
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	300,935,466	485,470,905
(ii) Trade payables	28	432,760,353	434,164,471
(iii) Other financial liabilities	29	102,632,979	101,758,586
(b) Other current liabilities	30	8,437,702	9,296,345
(c) Provisions	31	Nil	332,078
(d) Current Tax Liabilities (Net)	32	1,209,893	18,325,998
Total Current Liabilities		845,976,393	1,049,348,383
Total Equity and Liabilities (1+2+3)		3,652,429,813	3,472,350,954
Summary of Significant Accounting Policies	4		

As per our report of even date attached herewith
In terms of our report attached.

For J.T. Shah & Co.

Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 30.05.2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 30.05.2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
I Revenue from operations	33	3,661,810,219	3,616,370,772
II Other Income	34	56,508,022	54,537,192
III Total Income (I + II)		3,718,318,242	3,670,907,964
IV EXPENSES			
(a) Cost of materials consumed	35	1,131,976,033	915,530,426
(b) Purchases of stock-in-trade	36	517,451,205	1,039,398,376
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	104,582,267	(29,760,983)
(d) Excise duty		Nil	10,227,868
(e) Employee benefit expense	38	519,017,972	511,477,677
(f) Finance costs	39	39,970,594	54,110,066
(g) Depreciation and amortisation expense	40	66,790,350	61,118,065
(h) Other expenses	41	716,584,540	646,335,517
Total Expenses		3,096,372,962	3,208,437,012
V Profit before tax (III- IV)		621,945,280	462,470,952
VI Tax Expense			
(a) Current tax	42	150,809,893	103,847,159
(c) Deferred tax liability / (assets)	42	(16,252,845)	12,129,711
Total tax expense		134,557,048	115,976,870
VII Profit after tax from continuing operations (V - VI)		487,388,232	346,494,082
VIII Profit for the year (VII)		487,388,232	346,494,082
IX Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	43	523,901	1,515,164
(ii) Income tax relating to items that will not be reclassified to profit or loss	43	(193,268)	(527,370)
X Total Other Comprehensive Income		330,633	987,794
XI Total comprehensive income for the year (VIII+X)		487,718,864	347,481,876
Profit for the year attributable to			
Equity holders of the company		487,100,597	346,229,576
Non-controlling interest		287,634	264,506
Other comprehensive income attributable to			
Equity holders of the company		332,095	986,830
Non-controlling interest		(1,462)	964
Total comprehensive income attributable to		487,432,692	347,216,406
Equity holders of the company		487,432,692	347,216,406
Non-controlling interest		286,172	265,470
XII Basic & diluted earnings per share of face value of ₹10 each Fully Paid up			
(a) Basic		24.36	17.31
(b) Diluted		24.36	17.31

As per our report of even date attached herewith
In terms of our report attached.
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 30.05.2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 30.05.2019



LINCOLN

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Cash flow from operating activities		
Profit before tax	621,945,280	462,470,952
Adjustments for :		
Depreciation and amortisation expense	66,790,350	61,118,065
Amortisation of lease premium	216,000	216,000
Finance costs	39,970,594	54,110,066
Provision for expected credit Loss	27,323	11,102,294
Bad-debt written off	6,742,319	9,845,220
MTM (gain) / loss on fair valuation of derivative financial instruments	(1,430,169)	771,121
Loss on sale of property, plant & Equipment (net)	1,976,532	323,459
Interest income	(11,914,301)	(11,817,167)
Dividend income	Nil	(2,064)
(Gain) / loss on fair valuation of non investment	(8,997,102)	(9,259,298)
Profit on sale of non investment	(363,737)	(48,085)
Operating profit before working capital changes	714,963,089	578,830,563
Changes in operating assets and liabilities:		
(Increase)/Decrease in Inventories	91,857,111	(81,054,311)
(Increase)/Decrease in Trade receivables	(137,053,879)	(208,660,108)
(Increase)/Decrease in Other Current Financial Assets	(128,521)	(129,699)
(Increase)/Decrease in Other Non Current Assets	(2,217,895)	Nil
(Increase)/Decrease in Other Current Assets	355,858	(38,302,685)
Increase/(Decrease) in Trade Payable	(1,404,125)	110,201,571
Increase/(Decrease) in Other non current Financial Liabilities	305,397	1,792,224
Increase/(Decrease) in Other current Financial Liabilities	38,299,813	(5,572,367)
Increase/(Decrease) in Other Current Liabilities	(858,643)	5,384,579
Increase/(Decrease) in Short term Provisions	(332,078)	(3,674,481)
Cash flow generated from operations	703,786,126	358,815,285
Direct taxes Paid (net)	(175,340,098)	(92,476,438)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	528,446,027	266,338,847
Cash flows from investing activities		
Purchase of Property, Plant and Equipments	(149,378,330)	(99,010,594)
Proceeds from sale of Property, Plant and Equipments	3,158,551	2,269,000
(Increase)/Decrease in Margin Money	59,011,800	5,418,328
(Increase)/Decrease in Non current financial Assets- Loan	(61,750,596)	(2,924,247)
(Increase)/Decrease in current financial Assets- Loan	22,547,323	(37,353,787)
Interest received	6,157,484	11,817,167
Decrease in Non Current Investment	15,000	Nil
Dividend received	Nil	2,064
Sale of Current Investment	190,363,737	2,048,085
Purchase of Current Investment	(252,000,000)	Nil
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(181,875,030)	(117,733,984)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Cash flows from financing activities		
Proceeds of Long Term Borrowings	Nil	Nil
Repayment of Long-term borrowings	(92,241,033)	(66,968,925)
Proceeds of Short Term Borrowings	(184,535,439)	35,030,015
Repayment of Short-term borrowings	Nil	Nil
Money Received against share warrants	Nil	Nil
Dividend Paid on equity shares (incl. deferred tax)	(36,166,590)	(28,747,453)
Sale in equity instruments of subsidiary	Nil	Nil
Finance costs Paid	(44,738,965)	(53,395,753)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(357,682,027)	(114,082,116)
NET INCREASED IN CASH AND CASH EQUIVALENTS (A + B + C)	(11,111,030)	34,522,747
Cash and cash equivalents at the beginning of the year	65,679,016	31,156,269
Cash and cash equivalents at the end of the year	54,567,985	65,679,016

Notes:

- (i) Components of cash and cash equivalents at each balance sheet:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Cash on hand	4,618,299	5,100,499
Balances with Bank	49,949,686	60,578,517
Total Cash and cash equivalents (Refer Note No. 15)	54,567,985	65,679,016

- (ii) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

See accompanying notes forming part of the Financial Statements

As per our report of even date attached herewith
In terms of our report attached.
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 30.05.2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 30.05.2019



LINCOLN

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019

Equity Share Capital

Particulars	Note No.	Amount ₹
Balance as on 1st April, 2017	21	200,000,000
Changes during the year		Nil
Balance as on 31st March, 2018	21	200,000,000
Changes during the year		Nil
Balance as on 31st March, 2019	21	200,000,000

Other Equity

Other Equity							Amount in ₹	
Particulars	Note No.	Reserves and Surplus			Capital Reserve	Equity Securities Premium	Non-Controlling Interest	Total
		Retained Earnings		General Reserve				
		Profit and Loss	Other Comprehensive Income					
Balance as at 31st March, 2017		1,006,550,234	10,895	67,621,600	3,500,000	646,166,400	2,999,620	1,726,848,749
Profit for the year		346,229,576	Nil	Nil	Nil	Nil	264,506	346,494,082
Other comprehensive income for the year (net of Tax)		Nil	986,830	Nil	Nil	Nil	964	987,794
Payment of Dividends		(24,000,000)	Nil	Nil	Nil	Nil	Nil	(24,000,000)
Tax on Dividends		(4,886,023)	Nil	Nil	Nil	Nil	Nil	(4,886,023)
Transfer to General Reserve		(5,000,000)	Nil	5,000,000	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	22	1,318,893,786	997,725	72,621,600	3,500,000	646,166,400	3,265,090	2,045,444,602
Profit for the year		487,100,597	Nil	Nil	Nil	Nil	287,634	487,388,232
Other comprehensive income for the year (net of Tax)		Nil	332,095	Nil	Nil	Nil	(1,462)	330,633
Change in Minority Portion		(277)	Nil	Nil	Nil	Nil	277	Nil
Payment of Dividends		(30,000,000)	Nil	Nil	Nil	Nil	Nil	(30,000,000)
Tax on Dividends		(6,166,590)	Nil	Nil	Nil	Nil	Nil	(6,166,590)
Transfer to General Reserve		(5,000,000)	Nil	5,000,000	Nil	Nil	Nil	Nil
Balance as at 31st March, 2019	22	1,764,827,516	1,329,820	77,621,600	3,500,000	646,166,400	3,551,540	2,496,996,876

As per our report of even date attached herewith
In terms of our report attached.

For J.T. Shah & Co.

Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 30.05.2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 30.05.2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

1. Corporate information:

The consolidated financial statements relate to Lincoln Pharmaceuticals Limited ("the Group") and its subsidiary Companies. Lincoln Pharmaceuticals Limited is a listed Group, incorporated on January 20, 1995 under the provisions of the Companies Act 1956, having its registered office in the Ahmedabad, Gujarat, India. The shares of the Group are listed on BSE and NSE. The Group is engaged in the business of manufacturing and trading of pharmaceutical products. The Group and its subsidiaries constitute "the Group". The details of the subsidiaries along with nature of business are as under:

Subsidiary Name	Nature of Business	% of Voting Power by the Holding Group (Refer Note No. 52)	Accounting Period
Lincoln Parenteral Limited	Manufacturing and Trading of Pharmaceutical Products	98.58%	Considered for the period: April 1, 2018 to March 31, 2019
Zullinc Healthcare LLP	Manufacturing and Trading of Pharmaceutical Products	100%	Considered for the period: April 1, 2018 to March 31, 2019
Savebux Enterprise Private Limited (Formerly known as Savbux Finance and Investment Private Limited)	Trading of Pharmaceutical Products	100%	Considered for the period: April 1, 2018 to March 31, 2019

The consolidated financial statements are approved for issue by the Group's Board of Directors on May 30, 2019.

2. Statement of compliance:

The consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended read with Section 133 of the Companies Act, 2013.

The current consolidated financial statements comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2019 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies are applied consistently to all the periods presented in the Consolidated financial statements.

3. Basis of preparation and principles of Consolidation:

i) Basis of preparation:

The consolidated financial statements have been prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following where the fair valuation have been carried out in accordance with the requirements of respective Ind AS:

- Employee defined benefit plans – Plan assets - Note No. 46.
- Financial Instruments recognised at FVTPL or FVTOCI - Note No. 48.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

ii) Principles of consolidation:

- Subsidiaries are those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.
- The group combines the financial statements of the parent and its subsidiaries line by line adding together the book value of like items of assets, liabilities, equity, income and expenses. Inter-Group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.
- The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:
 - the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- b. potential voting rights held by the Group, other vote holders or other parties;
- c. rights arising from other contractual arrangements and
- d. any additional facts and circumstances that indicate that the Group has, or does not have the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.
- D. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- E. The financial statements of the Group and its subsidiaries have been consolidated using uniform accounting policies.

4. Summary of significant accounting policies:

i) Use of estimates:

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in financial statements have been specified in Note 2(iii) below. Accounting estimates could change from period to period. Actual results could differ from estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in consolidated financial statements in the period in which the changes are made and if material, their effects are disclosed in these notes to the consolidated financial statements.

Critical Accounting Estimates and Judgement used in application of Accounting Policies are specified here-in-after:

a. Income Taxes

Significant judgements are involved in determining the provision for Income Taxes, including amount expected to be paid / recovered for uncertain tax positions. (Also refer Note No. 19 and 32)

b. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology. (Refer Note No. 5)

c. Impairment of Financial Assets

The impairment provisions for consolidated financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without under cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note No. 10 & 18)

d. Defined Benefit Plan

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note No. 46)

e. Fair Value Measurement of Financial Instruments

When the fair value of consolidated financial assets and consolidated financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note No. 48)

f. Other estimates

The preparation of consolidated financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of consolidated financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

ii) Income recognition:
Revenue from Contracts with Customers

Effective 1st April, 2018, the Group has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115, the standard) retrospectively with the cumulative effect of applying this standard recognised at the date initial application. The adoption of this standard did not have any material impact on the consolidated financial statements.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The revenue towards satisfaction of performance is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligations. The transaction price of goods sold and service rendered is net of variable consideration on account of various discounts offered by the Group as part of contract. These variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that amount will not be subject to significant reversal when uncertainty relating to its recognition resolved.

Sale of Product and Services

The company manufactures Pharmaceuticals Products. The company also render job work service. The performance obligation in case of sale of product and services is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customers as may be specified in the contract. The time taken from entering into order and sale is less than 12 months and the normal credit period offered to customers is also less than 12 months. The company offers trade Discount, Quantity Discount, cash Discount, Discount for Shortage or quality issue discount which are factored while determining transaction price. Revenue is recognised such that significant reversal is not highly probable. The reconciliation between the contract price and revenue recognised is given in Note No. 33.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Operating revenue:

Export entitlements are recognized when the right to receive the credits as per the terms of the scheme is established in respect of exports made by the Group and when there is no significant uncertainty in receiving the same.

Insurance Claim:

Claims receivable on account of Insurance are accounted for to the extent the Group is reasonably certain of their ultimate collection.

iii) Property, Plant & Equipment:
Property, Plant & Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only, if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Freehold land is carried at cost less accumulated impairment losses. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost of an item of property, plant and equipment comprises:

- Its purchase price, all costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. Tax credit, if any, are accounted for by reducing the cost of capital goods;
- Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is de recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Consolidated Statement of profit and loss account.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Capital Work-in-progress

Capital work in progress is stated at cost, comprising direct cost, related incidental expenses and attributable borrowing cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental

expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment. Pre-operating costs, being indirect in nature, are expensed to the consolidated statement of profit and loss account as and when incurred.

Compensation for impairment:

The Company recognises compensation from third parties for items of property, plant and equipment that were impaired, lost or given up in profit or loss when the compensation becomes receivable.

Derecognition of Property, Plant and Equipment:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss from the derecognition of an item of property, plant and equipment is recognised in the consolidated statement of profit and loss account when the item is derecognized.

iv) Depreciation on Property, Plant & Equipment:

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately on straight-line method. Parts of plant and equipment that are technically advised to be replaced at prescribed intervals / periods of operation, insurance spares and cost of inspection / overhauling are depreciated separately based on their specific useful life provided these are of significant amounts. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciable amount of an item of property, plant and equipment is arrived at after deducting estimated residual value. The depreciable amount of an asset is allocated on a systematic basis over its useful life. The Group reviews the residual value and useful life at each financial year-end and, if expectations differ from previous estimates, the residual value and useful lives are changed prospectively and accounted for as a change in accounting estimate. Depreciation commences when the item of property, plant and equipment is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized. The Group review the depreciation method at each financial year-end and if, there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted as a change in accounting estimate on prospective basis.

Depreciation on tangible property, plant and equipment is provided over the useful lives specified under Schedule II to the Companies Act, 2013. No Depreciation has been provided on Free hold land.

The estimated useful lives are mentioned below:

Nature of Assets	Useful life (in Years)
Land (Free Hold)	Nil
Factory Buildings	30
Non Factory Building	
RCC Frame Structure	60
Non RCC Frame Structure	30
Computer	3/6
Electrical Installation	10
Furniture & Fixtures	10
Office Equipments	5
Plant & Machinery	5 to 22
Vehicle	5 / 15
Intangible Assets	5

v) Intangible Assets and Amortization:

The Group identifies an identifiable non-monetary asset without physical substance as an intangible asset. The Group recognises an intangible asset if it is probable that expected future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost unless acquired in a business combination in which case an intangible asset is measured at its fair value on the date of acquisition. The Group identifies research phase and development phase of an internally generated intangible asset. Expenditure incurred on research phase is recognised as an expense in the profit or loss for the period in which incurred. Expenditure on development phase are capitalised only when the Group is able to demonstrate the technical feasibility of completing the intangible asset, the ability to use the intangible asset and the development expenditure can be measured reliably. The Group subsequently measures all intangible assets at cost less accumulated amortisation less accumulated impairment. An intangible asset is amortised on a straight-line basis over its useful life. A rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use is considered by the management. Amortisation commences when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is

classified as held for sale) and the date that the asset is derecognised. The amortisation charge for each period is recognised in profit or loss unless the charge is a part of the cost of another asset. The amortisation period and method are reviewed at each financial year end. Any change in the period or method is accounted for as a change in accounting estimate prospectively. The Group derecognises an intangible asset on its disposal or when no future economic benefits are expected from its use or disposal and any gain or loss on derecognition is recognised in Consolidated statement of profit and loss account as gain / loss on derecognition of asset.

vi) Impairment of Non-Financial Assets :

The Group reviews the carrying amount of its Property, Plant and Equipment, including Capital Work in progress of a “Cash Generating Unit” (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Recoverable Amount is determined:

- i) In case of individual asset, at higher of the fair value less cost to sell and value in use and
- ii) In case of cash generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash generating unit’s fair value less cost to sell and the value in use.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Consolidated Statement of Profit and Loss.

vii) Borrowing Costs:

Interest and other costs that the Group incurs in connection with the borrowing of funds are identified as borrowing costs. The Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it is incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Group identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. General borrowings include all other borrowings and also the amount outstanding as on the balance sheet date of specific borrowings. Borrowing cost incurred actually on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Group incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred.

viii) Inventories:

Raw Materials, Packing Materials, Stores and Spares

Raw Materials, Packing Materials, Stores & Spares and consumables are valued at lower of cost (net of refundable taxes and duties) and net realisable value. The cost of these items of inventory are determined on FIFO basis and comprises of cost of purchase and other incidental costs incurred to bring the inventories to their location and condition. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished Goods and Work-in-progress

Work-in-progress and finished goods are valued at lower of cost and net realisable value. The cost of work-in-progress and finished goods of inventory is determined on weighted average basis. The cost of work-in-progress and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition. Obsolete, slow moving and defective inventories are identified and provided for.

Stock in Trade

Stock in Trade is valued at lower of cost and net realisable value. Cost is determined on FIFO basis.

ix) Leases:

The Group determines an arrangement as a lease based on the substance of the arrangement after assessing whether the arrangement is dependent on the use of specific asset or assets and whether the arrangement conveys a right to use the asset or assets. The Group classifies all leases into finance and operating leases at the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not

transfer substantially all the risks and rewards incidental to ownership. The Group has applied accounting for lessees for assets taken on lease. The Group has not given assets on lease.

a) Finance lease as lessee

The Group recognises property leased under finance leases at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are discounted at the interest rate implicit in the lease to calculate present value of minimum lease payments. Initial direct costs are added to the amount recognised as an asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Contingent rents are charged as expenses in the period in which they are incurred.

b) Operating lease as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Where payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease expense is recognised based on the contractual lease payments. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

x) Government Grants and Subsidies:

Assistance by government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to operating activities of the entity other than those which cannot reasonably have a value placed upon them or those that cannot be distinguished from normal trading transactions of the Group are termed as government grants. All government grants are identified as either relating to assets or relating to income. Government grants whose primary condition is that a Group qualifying for them should purchase, construct or otherwise acquire long-term assets are identified as grants related to assets. Grants other than those related to assets are identified as related to income. Government grants are recognised when there is a reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. A forgivable loan from government is treated as a government grant when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan. The Group recognises Government grants in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet as deferred income. Deferred income is recognised in profit or loss on the basis the related assets are depreciated or amortised if they are related to asset or under other income when the grant becomes receivable. Grants related to income are presented in profit or loss under other income. Grants received in advance before fulfilment of conditions are recognised as Other Liability classified into current or non-current, as appropriate in the circumstances of the case.

xi) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a. Initial recognition and measurement

At initial recognition, the Group measures a financial asset (which are not measured at fair value) through profit and loss at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- i) Financial assets measured at amortised cost;
- ii) Financial assets at fair value through profit or loss (FVTPL) and
- iii) Financial assets at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above mentioned categories based on:

- a) The Company's business model for managing the financial assets and
 - b) The contractual cash flows characteristics of the financial asset.
- i) Financial assets measured at amortised cost :

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- b) Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Trade receivables, Advances, Security Deposits, Cash and Cash Equivalents etc. are classified for measurement at amortised cost

- ii) Financial assets at fair value through profit or loss (FVTPL):

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income. In addition, The Company may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

- iii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by collecting both contractual cash flows that gives rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

c. Derecognition

The Group derecognizes a financial asset when contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the assets's carrying amount and the sum of the consideration received and receivable is recognized in the consolidated statement of Profit and Loss.

d. Impairment

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables,
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables),
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition then an amount equal to lifetime ECL is measured and recognized as loss allowance. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverse the recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated Statement of Profit and Loss under the head 'Other expenses'.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

Financial Liabilities

a. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

b. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- i) Financial liabilities measured at amortised cost.
- ii) Financial liabilities at fair value through profit and loss.

i) Financial liabilities measured at amortised cost :

All financial liabilities are measured at amortised cost. Any discount or premium on redemption/ settlement is recognised in the Consolidated Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

ii) Financial liabilities at fair value through profit or loss (FVTPL):

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

c. Derecognition

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged or cancelled or expiry. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and interest rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the consolidated statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Off setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

xii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term

deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

xiii) Foreign currency transactions and translations

Functional currency of the Group is Indian rupee. The financial statements have been presented under its functional currency. Any transaction that is denominated in a currency other than the functional currency is regarded as foreign currency transaction. All foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. In case of consideration received or paid in advance, the exchange rate prevailing on the date of receipt or payment of advance is considered when subsequently the related asset is given up or received to the extent of advance consideration.

At the end of the reporting period:

1. foreign currency monetary items are translated using the exchange rate for immediate delivery at the end of the reporting period;
2. non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and
3. non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange difference arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in consolidated statement of profit and loss in the period in which they arise.

xiv) Employee benefits

Short term employee benefits

Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment benefits

a. Defined contribution plans

The Employee and Group make monthly fixed Contribution to Government of India Employee's Provident Fund equal to a specified percentage of the covered employees' salary, Provision for the same is made in the year in which service are rendered by employee.

b. Defined benefit plans

The Liability for Gratuity to employees, which is a defined benefit plan, as at Balance Sheet date determined on the basis of actuarial Valuation based on Projected Unit Credit method is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India and the contribution thereof paid/payable is absorbed in the accounts.

The present value of the defined benefit obligations is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in Balance Sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognized immediately in profit or loss as past service cost.

xv) Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current Tax includes provision for income tax computed at the tax rate applicable as per Income Tax Act, 1961. Tax on profit for the period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provision of the relevant tax laws and based on expected outcome of assessments / appeals. The Company recognises Taxes on Distribution of Dividend to Share holders in retained earnings, when dividends are declared.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and tax credits will be utilised. The carrying amount of deferred tax assets is reviewed at the end of financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled or the asset realised, based on tax rates and tax laws that have been substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group restricts recognition of deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability in absence of availability of sufficient future taxable profit which allow the full or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

xvi) Provisions, Contingent Liabilities and Contingent Assets :

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

xvii) Earnings per equity share:

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the Group by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group after adjusting for diluted earning by the weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares.

xviii) Dividend:

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

xix) Goods and Service Tax:

Goods and Service Tax credit on materials purchased for production / service availed for production / input service are taken into account at the time of purchase and GST credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired.

Goods and Service Tax credits so taken are utilized for payment of GST Liability on Sale of on goods. The unutilized GST credit is carried forward in the books.

(xx) Segment reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments are reported in a manner consistent with the internal reporting to the CODM.

Accordingly, the Board of Directors of the Group is CODM for the purpose of segment reporting. Refer Note No. 47 for segment information presented.

(xxi) Consolidated Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(xxii) Business Combination, Goodwill on Consolidation and Non-controlling Interest:
Business Combination:

The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred. Acquisition related costs are recognised in consolidated statement of Profit and Loss as incurred.

Goodwill on Consolidation:

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. The unamortised carrying value of goodwill is tested for impairment as at each balance sheet date.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling Interest:

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(xxiii) Standards issued but not yet effective

As on 30th March, 2019, Ministry of Corporate Affairs vide a notification issued amendments to Ind AS which are effective from 1st April, 2019. Given below is given an explanation of significant amendments and their possible impact on the assets, liabilities and results:

a) Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

The Group is in the process of evaluating the impact of this Standard.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

c) Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and
- to recognise in profit or loss as part of past service cost or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not have any impact on account of this amendment.

e) Amendment to Ind AS 23 – Consideration of outstanding specific borrowing in capitalisation rate-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23, Borrowing Costs. The amendments clarify that an entity shall exclude from the calculation of capitalisation rate borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Group is in the process of evaluating the impact of this amendment on the separate and consolidated financial statements.

Note 5: Property, Plant and Equipment

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation	Computer	Total
Gross Carrying Value as on March 31, 2017	115,524,586	237,785,847	571,475,358	19,832,961	26,853,432	1,510,455	5,093,654	6,288,593	984,364,885
Addition during the year	32,304,333	96,735,032	53,959,497	8,239,922	8,133,002	318,775	426,754	1,398,183	201,515,497
Deduction during the year	Nil	Nil	200,000	Nil	7,248,405	Nil	Nil	Nil	7,448,405
Gross Carrying Value as on March 31, 2018	147,828,919	334,520,879	625,234,855	28,072,883	27,738,029	1,829,229	5,520,408	7,686,776	1,178,431,977
Addition during the year	7,161,801	3,474,394	59,647,049	5,296,318	14,426,758	Nil	19,227,971	4,282,326	113,516,617
Deduction during the year	Nil	Nil	5,551,268	Nil	5,080,155	Nil	Nil	Nil	10,631,423
Gross Carrying Value as on March 31, 2019	154,990,720	337,995,273	679,330,636	33,369,201	37,084,632	1,829,229	24,748,379	11,969,102	1,281,317,171
Accumulated depreciation as on March 31, 2017	Nil	8,242,519	36,526,530	2,643,122	2,925,343	235,602	587,557	2,099,491	53,260,164
Addition during the year	Nil	9,235,281	40,062,376	3,340,170	4,012,407	277,930	636,779	2,319,693	59,884,636
Deduction during the year	Nil	Nil	13,872	Nil	4,842,074	Nil	Nil	Nil	4,855,946
Accumulated depreciation as on March 31, 2018	Nil	17,477,800	76,575,034	5,983,292	2,095,676	513,532	1,224,336	4,419,184	108,288,854
Addition during the year	Nil	10,826,960	44,066,505	3,888,330	4,344,089	264,725	730,037	1,843,797	65,964,443
Deduction during the year	Nil	Nil	3,603,743	Nil	1,892,597	Nil	Nil	Nil	5,496,340
Accumulated depreciation as on March 31, 2019	Nil	28,304,760	117,037,796	9,871,622	4,547,168	778,257	1,954,373	6,262,981	168,756,957
Net Carrying Value as on March 31, 2017	115,524,586	229,543,328	534,948,828	17,189,839	23,928,089	1,274,852	4,506,097	4,189,102	931,104,721
Net Carrying Value as on March 31, 2018	147,828,919	317,043,079	548,659,820	22,089,591	25,642,353	1,315,697	4,296,072	3,267,592	1,070,143,123
Net Carrying Value as on March 31, 2019	154,990,720	309,690,513	562,292,839	23,497,579	32,537,464	1,050,972	22,794,006	5,706,121	1,112,560,214

Notes:
i. Assets pledged as security:

Refer Note No. 60 for disclosure of assets pledged as security.

ii. Capitalised borrowing cost:

Borrowing Cost Capitalised on Property, Plant and Equipment during the year ended March 31, 2019 - ₹ Nil/- (for the year ended March 31, 2018: ₹ Nil/-).

iii. Contractual obligations:

Refer Note No. 44 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

iv. Depreciation on Property, Plant & Equipment:

Refer Note No. 4(iv) for disclosure of Policies and method used for the depreciation of property, Plant & Equipment.

Note 6 : Capital Work in Progress

Particulars	Amount in ₹
Balance at March 31, 2017	66,308,714
Addition during the year	61,824,095
Capitalised during the year	125,221,260
Balance at March 31, 2018	2,911,549
Addition during the year	18,057,459
Capitalised during the year	Nil
Balance at March 31, 2019	20,969,008

Note 7 : Other Intangible Assets
(Amount in ₹)

Particulars	Computer Software	Patents	Total Intangible Asset	Goodwill on Acquisition
Gross Carrying Value as on March 31, 2017	4,858,181	140,000	4,998,181	92,256,360
Addition during the year	839,841	Nil	839,841	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2018	5,698,022	140,000	5,838,022	92,256,360
Addition during the year	1,711,632	Nil	1,711,632	Nil
Deduction during the year	Nil	Nil	Nil	80
Gross Carrying Value as on March 31, 2019	7,409,654	140,000	7,549,654	92,256,280
Accumulated amortisation as on March 31, 2017	1,209,673	40,000	1,249,673	Nil
Addition during the year	1,193,429	40,000	1,233,429	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2018	2,403,102	80,000	2,483,102	Nil
Addition during the year	785,907	40,000	825,907	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2019	3,189,009	120,000	3,309,009	Nil
Net Carrying Value as on March 31, 2017	3,648,508	100,000	3,748,508	92,256,360
Net Carrying Value as on March 31, 2018	3,294,920	60,000	3,354,920	92,256,360
Net Carrying Value as on March 31, 2019	4,220,645	20,000	4,240,645	92,256,280

Notes:
i. Amortization on intangible Assets

Refer Note No. 4(v) for disclosure of Policies and method used for the amortization of intangible assets.

8 Non Current Investments

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(a) Investments in Subsidiary at cost		
Investment in Other Equity Instruments:		
Lincoln Parenteral Limited		
Equity Component of Financial Instruments issued in favour of subsidiary		
Interest security deposits	773,138	773,138
Financial Guarantee	42,088	42,088
	815,226	815,226
(b) Investments in other equity instruments at amortised cost (unquoted)		
1056 (PY.1056) Equity Share of Navnirman Co operative Bank Limited of face value ₹ 25 each fully paid up	26,400	26,400
(c) Investments in government securities at amortised cost (unquoted)		
National Saving Certificate	14,000	29,000
Total	855,626	870,626
Aggregate amount of quoted investment - At cost	Nil	Nil
Aggregate amount of unquoted investment - At cost	855,626	870,626

9 Non-Current Loans

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Unsecured, considered good		
Security Deposits	Nil	1,800,000
Loans to related parties	Nil	Nil
Inter-Corporate Loans	25,000,000	16,197,163
Loans to others	133,005,626	72,501,050
Total	158,005,626	90,498,213

10 Other Non Current Financial Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Margin Money Deposit	122,420	Nil
Total	122,420	Nil

11 Other Non-Current Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Unsecured, considered good		
Prepayment charges	3,186,000	3,402,000
Advances for Property, Plant & Equipment	25,850,286	1,374,903
Advance Income Tax :		
Advance Payment of Income Tax	198,985,029	96,032,693
Less: Provision For Income tax	(174,855,372)	(71,855,372)
Advance Income Tax (net)	24,129,657	24,177,321
Advance to Employees	2,206,895	Nil
Other receivables	11,000	Nil
Total	55,383,838	28,954,224

12 Inventories

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Raw materials	124,349,520	109,665,521
Work-in-Process	19,353,065	83,980,514
Finished Stock	50,694,005	61,882,342
Packing Material	58,748,418	60,707,261
Stock in Trade	109,112,493	137,878,974
Total	362,257,501	454,114,612

- a) Inventory of Raw Material includes material in transit- as on 31-03-2019 of ₹ Nil (as on 31-03-2018 ₹ Nil)
- b) Inventory of Finished Stock Includes Goods in Transit- as on 31-03-2019 ₹ 2,92,92,760/- (as on 31-03-2018 ₹ Nil)
- c) The cost of inventories recognised as an expenses includes ₹ Nil (during 2017-18 ₹ Nil) in respect of write-down of inventory to net realisable value and has been reduced by ₹ Nil (during 2017-18 : ₹ Nil) in respect of the reversal of such write-down.
- d) Inventories pledged as Security with bank for borrowing as on 31-03-2019 of ₹ 29,47,39,329/- (as on 31-03-2018 ₹ 36,49,12,255/-)

13 Current Investments

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Investment in mutual fund at fair value through profit and loss		
39,47,201 (PY.39,47,201) units of SBI Savings Fund - Direct Plan - Growth	118,570,377	109,710,489
21,306.804 (PY.Nil) units of SBI Liquid Fund-Regular Plan-Growth	62,137,214	Nil
Total	180,707,591	109,710,489

14 Trade receivables

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Trade Receivables (Unsecured)		
Trade Receivable Considered Good - Unsecured	906,335,654	726,708,329
Less: Allowance for Expected Credit losses	2,265,837	1,816,771
	904,069,817	724,891,558
Trade Receivable Credit Impaired	335,605,013	384,920,767
Less: Allowance for Expected Credit losses	14,982,602	15,404,345
	320,622,411	369,516,422
Total	1,224,692,228	1,094,407,980

Notes:

- i. For details of receivables from firms / private companies in which directors of the company are partners / directors, please refer note no.55.
- ii. The Company provides an allowance for impairment of doubtful accounts based on financial condition of the customer, aging of the trade receivable and historical experience of collections from customers. The activity in the allowance for impairment of trade receivables is given below:

Allowance Movement for Trade Receivables	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Balance at the beginning of the year	17,221,116	6,118,821
Add : Expected credit loss allowance made during the year	875,510	16,446,194
Less : Reversal of allowance made during the year	848,187	5,343,900
Closing Balance	17,248,439	17,221,116

15 Cash & Cash Equivalents

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Cash on hand	4,618,299	5,100,499
Bank Balance	49,949,686	60,578,517
Total	54,567,985	65,679,016

16 Other Bank Balances

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)	Nil	59,286,284
Margin Money Deposit	19,875,371	19,723,307
Bank Balances Earmarked for Dividend	1,322,165	1,184,226
Total	21,197,536	80,193,818

17 Current Loans

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Loans and Advances to Others	17,500,020	40,047,343
Total	17,500,020	40,047,343

18 Other Current Financial Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	166,882	20,596
Others	301,896	173,375
Total	468,778	193,971

19 Current Tax Assets (Net)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Advance Payment of Income Tax	151,110,688	Nil
Less: Provision For Income tax	(143,648,924)	Nil
Total	7,461,764	Nil

20 Other Current Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Advances recoverable in cash or kind	167,866,907	197,062,564
Prepaid Expenses	7,769,316	12,243,037
Loans and advance to employees	6,277,381	2,772,640
Balances with Statutory Authorities	154,533,850	126,464,359
Gratuity Fund	2,363,949	466,991
Others	371,351	5,121
Total	339,182,754	339,014,711

21 Equity Share Capital

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
[i] Authorised Share Capital: 2,00,00,000 (PY.2,00,00,000) Equity shares of ₹10 each	200,000,000	200,000,000
[ii] Issued, Subscribed & Paid-up Capital : 2,00,00,000 (PY.2,00,00,000) Equity shares of ₹ 10 each fully paid	200,000,000	200,000,000
Total	200,000,000	200,000,000

- (a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)
Shares at the beginning	20,000,000	200,000,000	20,000,000	200,000,000
Addition	Nil	Nil	Nil	Nil
Deletion	Nil	Nil	Nil	Nil
Shares at the end	20,000,000	200,000,000	20,000,000	200,000,000

- (b) The details of shareholders holding more than 5% shares is set out below.

Name of the Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
Digital Biotech Pvt. Ltd.	1,400,000	7.00%	1,400,000	7.00%

- (c) Rights, Preferences and Restrictions attached to equity shares

The company has only one type of equity share of ₹ 10 each listed on BSE & NSE. Each of the share holders has right give one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

- (d) The Company has not reserved any share for issue under options and contracts or commitments for the sale of shares or disinvestment.
- (e) There are no shares issued pursuant to contract without payment being received in cash or by way of bonus shares or equity shares bought back for the period of 5 years immediately preceding the balance sheet date.

22 Other Equity

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
a) Capital Reserve		
Balance as per last financial Statement	3,500,000	3,500,000
Add: Addition during the year	Nil	Nil
Closing Balance	3,500,000	3,500,000
b) Equity Securities Premium		
Balance as per last financial Statement	646,166,400	646,166,400
Add: Share premium received during the year	Nil	Nil
Closing Balance	646,166,400	646,166,400
c) General Reserve		
Balance as per last financial Statement	72,621,600	67,621,600
Add: Transfer from Statement of Profit & Loss	5,000,000	5,000,000
Closing Balance	77,621,600	72,621,600

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
d) Retained Earnings		
i) Profit and Loss:		
Balance as per last financial Statement	1,318,893,786	1,006,550,234
Add : Profit for the year	487,100,597	346,229,576
Less: Increase in Minority Interest	(277)	Nil
Less: Transfer to General reserve	(5,000,000)	(5,000,000)
Less: Final Dividend Paid	(30,000,000)	(24,000,000)
Less: Tax on Final Dividend	(6,166,590)	(4,886,023)
Net Surplus in the statement of profit and loss (i)	1,764,827,516	1,318,893,786
ii) Other Comprehensive Income:		
Balance as per last financial Statement	997,725	10,895
Add: Remeasurement of Defined benefit plans (including deferred tax)	332,095	986,830
Net Surplus in the statement of other comprehensive income (ii)	1,329,820	997,725
Total Retained Earnings (i + ii + iii)	1,766,157,337	1,319,891,511
Total (a + b + c + d)	2,493,445,337	2,042,179,511

Capital Reserve: Capital reserve was realised in cash and can be utilised by the company for issuance of bonus shares.

Equity Security Premium: The amount received in excess of face value of the equity shares is recognised in equity security premium. Being realised in cash, the same can be utilised by the company for issuance of bonus shares.

General Reserve: General reserve is created from time to time by transfer of profits from retained earnings. It does not include any item which is transferred from other comprehensive income or equity component of financial instruments. General Reserve is created for appropriation purposes.

Retained earnings: Retained earnings can be utilised by the company for distribution to its equity shareholders of the company. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

23 Minority Interest

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Minority interest attributable to 1.41% (P.Y. 1.41%) of share holders of Lincoln Parenteral Ltd		
Balance as per last financial Statement	3,265,090	2,999,620
Add : increase in Minority Portion	277	Nil
Add : Profit for the year	287,634	264,506
Add: Remeasurement of Defined benefit plans (including deferred tax)	(1,462)	964
Total	3,551,540	3,265,090

24 Non-Current Borrowings

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Secured Borrowing		
Term Loan from Banks	27,692,308	122,125,152
Less : Current maturities of long-term debt (Note No. 29)	15,384,615	56,490,411
Closing Balance	12,307,693	65,634,741
Vehicle Loan	7,459,172	5,267,362
Less : Current maturities of long-term debt (Note No. 29)	2,845,134	1,633,124
Closing Balance	4,614,038	3,634,238
Total	16,921,731	69,268,978

Notes:

- A Secured Borrowing: The group has availed 2 type of term loans, details of which is stated as under:
- Secured term loan from Yes Bank is availed for windmill which is secured against exclusive hypothecation charge on windmill & personal gurranty of three Promoter directors.
The loan is payable in 84 monthly instalment. Interest on said loan shall be payable at Yes Bank Limited Base Rate + 0.15% from time to time.
 - Foreign currency External Commercial Borrowings (ECB Loan) is availed from ICICI Bank for project purpose.
Said ECB loan is secured against following:
 - Hypothecation charges on fixed assets of the company, both present and future,
 - Mortgage of factory land,
 - Pledge of shares: 0.8 million of shares of holidng company "Lincoln Pharmaceuticals Limited" by directors of the company or holding company.
 - Corporate guarantee of holding company.
 - Personal guarantee of two directors of the company as well as three directors of holding company.
- B Vehicle Loans: It includes loans from bank and finance companies. The Repayment period of these loans ranges from 12 to 36 months & Rate of interest ranging from 10% To 11%. These loans are secured against the asset under finance.
- C. Yearwise repayment schedules:

Year	As at March 31, 2019 ₹	As at March 31, 2018 ₹
FY 2018-19	Nil	58,123,535
FY 2019-20	18,229,750	24,794,588
FY 2020-21	14,500,275	16,071,869
FY 2021-22	1,621,343	16,864,060
FY 2022-23	800,112	11,538,462
Total	35,151,480	127,392,513

25 Other Non Current Financial Liabilites

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Trade Deposits	36,716,535	36,411,138
Total	36,716,535	36,411,138

26 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Deferred Tax Liabilities		
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	65,144,627	97,782,458
Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961	Nil	415,509
Total Deferred Tax Liabilities	65,144,627	98,197,966
Deferred Tax Assets		
Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961	601,589	Nil
Allowance for Expected Credit Losses	5,919,105	5,973,226
Unused tax credit	2,805,656	20,346,888
Total Deferred Tax Assets	9,326,350	26,320,114
Net Deferred Tax Liability	55,818,277	71,877,853

A Movement of deferred tax liability:

Movements in Deferred Tax Liabilities	Note - i Deferred Tax At March 31, 2017	Note - ii Adjusted to Profit or loss	Note - ii Adjusted to Other Compre. Income	Note - i Deferred Tax At March 31, 2018
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	(103,506,310)	5,723,852	Nil	(97,782,458)
Unpaid liability allowable on payment basis in succeeding years u/s. 43B of the Income tax Act, 1961	323,787	(211,926)	(527,370)	(415,509)
Allowance for Expected Credit Losses	2,105,629	3,867,597	Nil	5,973,226
Unused tax credit	39,092,299	(18,745,411)	Nil	20,346,888
Unabsorbed depreciation	2,763,822	(2,763,822)	Nil	Nil
Total	(59,220,772)	(12,129,711)	(527,370)	(71,877,853)

Movements in Deferred Tax Liabilities	Note - i Deferred Tax At March 31, 2018	Note - ii Adjusted to Profit or loss	Note - ii Adjusted to Other Compre. Income	Note - i Deferred Tax At March 31, 2019
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	(97,782,458)	32,637,831	Nil	(65,144,627)
Unpaid liability allowable on payment basis in succeeding years u/s. 43B of the Income tax Act, 1961	(415,509)	1,210,366	(193,268)	601,589
Allowance for Expected Credit Losses	5,973,226	(54,121)	Nil	5,919,105
Unused tax credit	20,346,888	(17,541,232)	Nil	2,805,656
Total	(71,877,853)	16,252,844	(193,268)	(55,818,277)

i Figures in bracket denotes deferred tax liability.

ii Figures in bracket denotes creation of deferred tax liability or reversal of deferred tax asset.

27 Current Borrowings

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Secured Borrowing		
From Bank (Repayable on Demand)	247,777,107	432,292,282
Unsecured Borrowing		
From Bank (Repayable on Demand)	53,158,359	52,581,165
From Related Party	Nil	597,458
Total	300,935,466	485,470,905

Security :

Secured demand loans from Bank includes working capital loan. This loan is secured against :

i) Primary Security :

Hypothecation of entire current assets of the Group.

ii) Collateral Security :

Charge over entire fixed assets of the Group including

- Plot No. 137 of TP Scheme No. 42 land admeasuring area about 850 sq. mtrs and Final Plot No. 138 of TP Scheme No. 42 land admeasuring area about 1397 sq. mtrs. Both situated at Mouje Sola, Taluka Daskroi in registration district Ahmedabad and sub district Ahmedabad-2 (Vadaj).
- Piece & Parcel of freehold land situated lying and being at Mouje Khatraj, Taluka Kalol, District Mehsana bearing subplots No. 9/A/1, 9/A/2, 10, 12/A, 12/B & 13 of Block No. 95 of Mouje Khatraj of Kalol taluka admeasuring 1692.94 Sq. mtrs, 3590.30 Sq. mtrs respectively i.e. collectively 12124.84 Sq. mtrs together with building thereon belonging to M/s Lincoln Pharmaceuticals Ltd.
- Hypothecation of fixed assets of the company excluding windmill.

iii) Personal Guarantees of all three promoter directors.

28 Trade payables

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Payable to Micro and Small Enterprise	36,541,835	Nil
Payable to others	396,218,518	434,164,471
Total	432,760,353	434,164,471

Notes:

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors. The Disclosure in respect of the MSMED Act, 2006 has been provided at Note No. 59.

29 Other Current Financial Liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Current Maturity of long term borrowings (Note No. 24)	18,229,749	58,123,535
Interest accrued but not due on borrowings	257,230	5,025,601
Unpaid dividend	1,322,165	1,184,226
Creditors for Property, Plant & Equipment	37,685,629	29,302,948
Salary & Wages Payable	41,736,177	2,297,098
Employee Benefit Payable	408,681	Nil
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	Nil	1,283,883
Credit Balance in Current Account	2,983,348	4,377,559
Others	10,000	163,736
Total	102,632,979	101,758,586

30 Other Current Liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Other Statutory dues	8,437,702	8,700,465
Other Payables	Nil	595,880
Total	8,437,702	9,296,345

31 Current Provisions

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Provision for Employee Benefits	Nil	332,078
Total	Nil	332,078

32 Current Tax Liabilities (Net)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Provision For Income tax	7,909,893	103,748,924
Less: Advance Payment of Income Tax	(6,700,000)	(85,422,926)
Total	1,209,893	18,325,998

33 Revenue from operation

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Sale of Products:		
Finished Goods	3,503,649,044	3,508,367,684
Sale of services:		
Job Work Charges	65,546,129	51,856,933
Other Operating Revenue:		
Export Incentive	86,603,333	55,079,338
Scrap Sales	6,011,713	1,066,817
	92,615,046	56,146,155
Total	3,661,810,219	3,616,370,772

(a) Reconciliation of Revenue recognised in the statement of profit and loss with the Contracted price :-

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Gross Revenue	3,684,809,473	3,652,783,175
	3,684,809,473	3,652,783,175
Less: Discount	109,602,587	91,491,742
Revenue recognised from Contract with Customers	3,575,206,886	3,561,291,434

(b) Reconciliation of Revenue from operation with Revenue from contracts with Customers :-

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Revenue from operation	3,661,810,219	3,616,370,772
Less: Export incentive	86,603,333	55,079,338
Revenue from contracts with Customers	3,575,206,886	3,561,291,434

34 Other Income

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Interest Income:		
Interest from bank	11,637,807	11,544,645
Interest from others	276,494	272,522
Dividend Income	Nil	2,064
Gain on fair valuation of Current Investments	8,997,102	9,259,298
Gain on sale of Current Investments	363,737	48,085
Foreign Exchange Gain	33,642,267	29,389,111
Gain on sale of Non Current investments	144	Nil
Profit on sale of Property, Plant & Equipment	Nil	181,500
Gain on Fair Valuation of Derivative contracts	1,430,169	887,356
Miscellaneous Income	160,302	2,952,611
Total	56,508,022	54,537,192

35 Cost of Materials Consumed

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Raw Material		
Inventory at the beginning of the year	109,665,521	79,836,493
Add: Purchase	749,409,441	587,011,503
Less: Inventory at the end of the year	124,349,520	109,665,521
Cost of Consumption of Raw Material	734,725,442	557,182,476
Packing Materials		
Inventory at the beginning of the year	60,618,059	39,242,957
Add: Purchase	395,380,950	379,812,254
Less: Inventory at the end of the year	58,748,418	60,707,261
Cost of Consumption of Packing Materials	397,250,591	358,347,950
Total	1,131,976,033	915,530,426

36 Purchase of Stock in Trade

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Purchase of stock in trade	517,451,205	1,039,398,376
Total	517,451,205	1,039,398,376

37 Change In Inventories of Finished Goods, Work in Progress and Stock in Trade

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Stock in trade		
Stock at the Beginning of the financial year	137,878,974	159,337,722
Stock at the End of the financial year	109,112,493	137,878,974
	28,766,481	21,458,748
Finished Goods		
Stock at the Beginning of the financial year	61,882,342	70,131,534
Stock at the End of the financial year	50,694,005	61,882,342
	11,188,337	8,249,192
Work in Progress		
Stock at the Beginning of the financial year	83,980,514	24,511,591
Stock at the End of the financial year	19,353,065	83,980,514
	64,627,449	(59,468,923)
Summary		
Stock at the Beginning of the financial year	283,741,830	253,980,847
Stock at the End of the financial year	179,159,563	283,741,830
Change in inventory	104,582,267	(29,760,983)

38 Employee Benefit Expense

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Salary, Wages & Bonus Expense	473,442,020	454,357,808
Contribution to Provident Fund & Other Funds	18,961,537	20,608,052
Staff welfare Expenses	26,614,415	36,511,817
Total	519,017,972	511,477,677

39 Finance Costs

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Interest Paid to Bank	30,938,794	44,834,348
Other Borrowing Cost	9,031,800	9,275,718
Total	39,970,594	54,110,066

40 Depreciation And Amortisation Expense

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Depreciation of Property, Plant & Equipment	65,964,443	59,884,636
Depreciation of Intangible Assets	825,907	1,233,429
Total	66,790,350	61,118,065

41 Other Expenses

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Power and Fuel	72,111,642	68,182,685
Labour Charges	110,256,477	93,545,206
Loading & Unloading Charges	262,616	219,515
Stores And Spares Consumption	10,782,700	10,810,555
Factory Expenses	8,784,151	8,028,090
Laboratory & Testing Charges	35,276,596	24,702,185
Provision for excise on closing inventory	Nil	(2,474,920)
Repairs & Maintenance:		
Building	22,035,707	4,929,163
Machinery	12,020,646	5,609,362
Other assets	10,391,080	7,964,741
	44,447,433	18,503,266
Loss on Sales of Property, Plant & Equipment	1,976,532	504,959
Loss on sale of export licence	658,751	1,717,298
Amortisation of Lease Premium	216,000	216,000
Computer Expense	2,717,401	2,715,444
Rent	2,187,300	2,303,582
Rate & Taxes	21,567,738	21,246,203
Auditors' Remuneration (Refer Note No. 51)	1,110,000	1,100,000
Legal and Registration Expense	25,555,698	24,067,432
Professional & Consulting Fees	75,770,635	50,213,702
Inspection Fees	986,117	3,096,549
Conveyance & Vehicle Expense	5,712,891	5,821,437
Travelling Expense	48,980,105	48,714,746
Transportation Expense	22,851,388	24,728,046
Donation	301,950	898,006
Insurance	4,739,974	485,903
Office Expense	4,241,811	5,167,236
Post & Telephone Expense	5,089,254	4,366,230
Stationery, Printing & Xerox	5,326,058	5,077,272
Security Expense	4,164,548	3,722,634
CSR Expense	7,560,500	5,657,000
MTM Loss on Fair Valuation of Derivative contracts	Nil	1,658,477
Advertisement Expense	2,755,466	2,426,035
Sales Promotion & Marketing Expense	135,857,087	136,049,155
Sales Commission Expense	38,759,024	49,157,263
Bad debt Written off	6,742,319	9,845,220
Allowance for Expected credit loss expenses	27,323	11,102,294
Miscellaneous Expense	8,807,055	2,760,815
Total	716,584,540	646,335,517

42 Income tax recognised in profit or loss

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Current tax	150,809,893	103,311,902
Tax expense related to prior period	Nil	535,257
	150,809,893	103,847,159
Deferred tax liability / (assets)	(16,252,845)	12,129,711
	(16,252,845)	12,129,711
Total	134,557,048	115,976,870

Income tax reconciliation

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Profit before tax	621,945,280	462,470,952
Tax expenses reported during the year	134,557,048	115,976,870
Income tax expenses calculated at CY 30.502% (P.Y. 34.608%)	214,579,347	160,051,947
Difference	(80,022,299)	(44,075,077)
Permanent disallowances	11,779,497	4,499,439
Income not taxable under Income tax	(8,072,863)	(3,515,200)
Tax benefit available in respect of scientific research	(63,527,277)	(39,265,874)
Effect on deferred tax balances due to change in income tax rate	5,060,731	476,150
Utilisation of MAT Credit	(13,841,543)	(10,085,611)
Utilisation of unabsorbed depreciation	Nil	(2,763,822)
Adjustment of current tax of prior years	(10,980,843)	5,763,051
Other Items	(440,001)	816,789
Total	(80,022,299)	(44,075,078)

43 Statement of Other Comprehensive Income

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(i) Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans		
Actuarial gain/(loss)	523,901	1,515,164
(ii) Income tax		
Deferred tax impact on actuarial gain/(loss)	(193,268)	(527,370)
Total	330,633	987,795

44. Capital Commitment

Details of outstanding capital commitments are as under:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Estimated amount of contracts remaining to be executed on capital account and not provided for	25,850,286	2,171,497
Advance paid against such contracts	25,850,286	1,374,903
Remaining outstanding commitment	Nil	796,594

45. Contingent Liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Income Tax demands disputed in appeal by the Group / Income Tax Authorities. Against which amount of ₹ Nil (P.Y. ₹ 70,38,810/-) has been by the company	1,928,559	12,186,100
Corporate guarantee given by the company to banks on behalf of subsidiary	Nil	140,000,000
Outstanding amount of Bill discounted	Nil	72,874,448

46. Details of Employee Benefits:
(a) Defined Contribution Plans

The Group offers its employees benefits under defined contribution plans in the form of provident fund. Provident fund cover substantially all regular employees which are on payroll of the Group. Both the employees and the Group pay predetermined contributions into the provident fund and approved superannuation fund. The contributions are normally based on a certain proportion of the employee's salary and are recognised in the Consolidated Statement of Profit and Loss as incurred.

A sum of ₹ 16,90,651/- (March 31, 2018: ₹ 27,89,043/-) has been charged to the Consolidated Statement of Profit and Loss in respect of this plan.

(b) Defined Benefit Plan - Gratuity:

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

The following table summarizes the components of net benefit expense recognized in the Consolidated Statement of Profit and Loss and the funded status and the amounts recognized in the Balance Sheet for the plan:

A. Expenses Recognized during the period

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
In Income Statement	2,214,552	4,304,207
In Other Comprehensive (Income) / loss	(523,901)	(1,515,164)
Total Expenses Recognized	1,690,651	2,789,043

A1. Expenses Recognized in the Income Statement

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Current Service Cost	2,224,903	2,518,083
Past Service Cost	Nil	1,387,116
Loss / (Gain) on settlement	Nil	Nil
Net Interest Cost	(10,351)	399,008
Expenses Recognized in the Statement of Profit and Loss	2,214,552	4,304,207

A2. Other Comprehensive Income

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Actuarial (gains) / losses on Obligation for the period	(780,930)	(1,644,525)
Return on plan assets, excluding amount recognized in net interest expense	257,029	129,361
Components of defined benefit costs recognized in other comprehensive income	(523,901)	(1,515,164)

B. Net Liability recognized in the balance sheet

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Present Value of Obligation	(18,087,916)	(17,109,941)
Fair value of plan assets	20,451,865	17,244,853
Surplus / (Deficit)	2,363,949	134,912
Net (Liability) recognized in the Balance sheet	2,363,949	134,912
Provision for Employee Benefits (Gratuity) as per Note No. 31	Nil	(332,078)
Gratuity Fund as per Note No. 20	2,363,949	466,991
Net (Liability) recognised in the balance sheet	2,363,949	134,913

B1. Changes in the Present value of Obligation

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Present Value of Obligation as at the beginning	17,109,941	14,478,112
Current Service Cost	2,134,820	2,518,083
Interest Expense or Cost	1,437,432	1,089,390
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	344,973	(675,268)
- change in demographic assumptions	Nil	(1,080,883)
- experience variance	(1,125,903)	111,626
Past Service Cost	Nil	1,387,116
Benefits Paid	(1,813,347)	(718,235)
Present Value of Obligation as at the end of the year	18,087,916	17,109,941

B2. Changes in the Fair Value of Plan Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Fair value of Plan Assets at the beginning of the year	17,244,853	9,171,396
Interest Income	1,357,700	690,382
Contribution by Employer	2,150,000	7,512,436
(Benefit paid from the Fund)	(43,659)	Nil
Return on Plan Assets, Excluding Interest Income	(257,029)	(129,361)
Fair Value of Plan Assets at the end of the year	20,451,865	17,244,853

C. Actuarial Assumptions

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Discount Rate	7.82%	7.88%
Expected rate of salary increase	6.50%	6.50%
Expected Return on Plan Assets	7.69%	7.88%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Rate of Employee Turnover	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.
Retirement Age	58 Years	58 Years

D. Sensitivity Analysis

Particulars	Gratuity	
	Year Ended March 31, 2019	Year Ended March 31, 2018
	₹	₹
Defined Benefit Obligation (Base)	18,087,916	17,109,941

Particulars	Year Ended March 31, 2019 ₹		Year Ended March 31, 2018 ₹	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	2,081,328	(1,748,461)	1,716,892	(1,442,439)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(1,781,692)	2,085,349	(1,472,155)	1,723,417
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	(173,348)	143,643	(182,308)	153,373

E. Maturity Profile of Project Benefit Obligation

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
	₹	₹
Weighted average duration (based on discounted cash flows)	12	12

Expected cashout flows over the next (valued on undiscounted basis):	Gratuity	
	As at March 31, 2019	As at March 31, 2019
	₹	₹
1 year	2,536,386	4,258,368
2 to 5 years	3,070,578	2,569,743
6 to 10 years	5,425,511	4,518,756
10 Years & above	40,463,300	34,656,476

F. Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit plans which are as follows:

- Interest Rate Risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- Salary Escalation Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

47 Segment Reporting

The Company's management, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and accordingly, based on the principles for determination of segments given in Indian Accounting Standard 108 "Operating Segments" and in the opinion of management the Company is primarily engaged in the business of "Pharmaceutical Products". All other activities of the Company revolve around the main business and as such there is no separate reportable business segment.

Details of entity wide disclosures for this segment are given as below:

Entity-wide disclosures

(i) Bifurcation of Net sales to external customers by geographic area on the basis of location of customers:

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
India	1,687,476,047	2,372,302,046
Outside India	1,974,334,172	1,244,068,725
Total	3,661,810,219	3,616,370,772

(ii) Bifurcation of total non current assets of the group by geographical area on the basis of location of the asset:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
India	1,444,393,657	1,288,989,015
Outside India	Nil	Nil
Total	1,444,393,657	1,288,989,015

(iii) Details of Customers Contributing 10% or more of Total Revenue

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
No. of customers contributing 10% or more of total revenue (individually)	1	Nil
Amount of revenue	390,696,640	Nil
% of total revenue	10.86	Nil

48 Fair Value Measurements

Financial instrument by category and their fair value

As at 31st March, 2019	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments									
Non Current	8	Nil	Nil	855,626	855,626	Nil	Nil	Nil	Nil
Current	13	180,707,591	Nil	Nil	180,707,591	180,707,591	Nil	Nil	180,707,591
Loans									
Non Current	9	Nil	Nil	158,005,626	158,005,626	Nil	Nil	Nil	Nil
Current	17	Nil	Nil	17,500,020	17,500,020	Nil	Nil	Nil	Nil
Other Non Current	10	Nil	Nil	122,420	122,420	Nil	Nil	Nil	Nil
Financial Asset									
Trade Receivables	14	Nil	Nil	1,224,692,228	1,224,692,228	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	15	Nil	Nil	54,567,985	54,567,985	Nil	Nil	Nil	Nil
Other Bank Balances	16	Nil	Nil	21,197,536	21,197,536	Nil	Nil	Nil	Nil
Other Current Financial	18	166,882	Nil	301,896	468,778	Nil	Nil	166,882	166,882
Assets									
Total Financial Assets		180,874,473	Nil	1,477,243,337	1,658,117,810	180,707,591	Nil	166,882	180,874,473
Financial Liabilities									
Borrowings									
Non Current	24	Nil	Nil	16,921,731	16,921,731	Nil	Nil	Nil	Nil
Current	27	Nil	Nil	300,935,466	300,935,466	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	25	Nil	Nil	36,716,535	36,716,535	Nil	Nil	Nil	Nil
Current	29	Nil	Nil	102,632,979	102,632,979	Nil	Nil	Nil	Nil
Trade Payables	28	Nil	Nil	432,760,353	432,760,353	Nil	Nil	Nil	Nil
Total Financial Liabilities		Nil	Nil	889,967,064	889,967,064	Nil	Nil	Nil	Nil

As at 31st March, 2018	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments									
Non Current	8	Nil	Nil	870,626	870,626	Nil	Nil	Nil	Nil
Current	13	109,710,489	Nil	Nil	109,710,489	109,710,489	Nil	Nil	109,710,489
Loans									
Non Current	9	Nil	Nil	90,498,213	90,498,213	Nil	Nil	Nil	Nil
Current	17	Nil	Nil	40,047,343	40,047,343	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	1,094,407,980	1,094,407,980	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	15	Nil	Nil	65,679,016	65,679,016	Nil	Nil	Nil	Nil
Other Bank Balances	16	Nil	Nil	80,193,818	80,193,818	Nil	Nil	Nil	Nil
Other Current Financial Assets	18	20,596	Nil	173,375	193,971	Nil	Nil	20,596	20,596
Total Financial Assets		109,731,085	Nil	1,371,870,369	1,481,601,454	109,710,489	Nil	20,596	109,731,085
Financial Liabilities									
Borrowings									
Non Current	24	Nil	Nil	69,268,978	69,268,978	Nil	Nil	Nil	Nil
Current	27	Nil	Nil	485,470,905	485,470,905	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	25	Nil	Nil	36,411,138	36,411,138	Nil	Nil	Nil	Nil
Current	29	1,283,883	Nil	100,474,703	101,758,586	Nil	Nil	1,283,883	1,283,883
Trade Payables	28	Nil	Nil	434,164,471	434,164,471	Nil	Nil	Nil	Nil
Total Financial Liabilities		1,283,883	Nil	1,125,790,195	1,127,074,078	Nil	Nil	1,283,883	1,283,883

The above fair value hierarchy explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost for which fair values are disclosed in the consolidated financial statements. To provide the indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments in to three levels prescribed is as under:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

There were no transfers between the levels during the year

Valuation process

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively.

The carrying amount of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

49 Financial risk management

The Group's activities expose it to a variety of financial risks including credit risk, market risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

The Group's risk management is governed by policies and approved by the board of directors. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Group has policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which

are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee of the Group oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit carried out at the Group as well as at subsidiaries level. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

I Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables), cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets.

The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The history of trade receivables shows a negligible provision for bad and doubtful debts. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments. The Group has adopted simplified approach of ECL model for impairment.

i) Trade Receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Group with various activities as mentioned above manages credit risk. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. Ageing of trade receivables is as under. The Group does not hold collateral as security.

The Group reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Group also calculates the expected credit loss (ECL) for non-collection of receivables. The Group makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Group retains the provision made for doubtful debts without any adjustment.

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹ 1,72,48,439/- as at March 31, 2019 and ₹ 1,72,21,116/- as at March 31, 2018. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

Movement in allowance for Expected Credit Loss	As at	As at
	March 31, 2019	March 31, 2018
	₹	₹
Balance at the beginning of the year	17,221,116	6,118,822
Add : Allowance made during the year	875,509	16,446,194
Less : Reversal of allowance made during the year	848,187	5,343,900
Balance at the end of the year	17,248,439	17,221,116

ii) Financial assets that are neither past due nor impaired

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's assessment of credit risk about particular financial institution. None of the Group's cash equivalents including term deposits (i.e. certificates of deposit) with banks, were past due or impaired as at each balance sheet date.

II Liquid Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities including approved borrowing facilities sanctioned by the Parent Group, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Long-term borrowings generally mature between One to Ten years. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group's policy is to manage its borrowings centrally using mixture of long-term and short-term borrowing facilities to meet anticipated funding requirements.

The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lender. As of March 31, 2019 and March 31, 2018; the Group had unutilized credit limits from banks of ₹ 54,81,63,507/- and ₹ 13,01,23,224/- respectively. The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹)

Contractual maturities of financial liabilities as at March 31, 2019	Carrying Amount	Contractual Cash Flows				
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	Total
Borrowings:						
Non Current (Refer Note No. 24)	16,921,731	Nil	14,500,275	2,421,455	Nil	16,921,730
Current (Refer Note No. 27)	300,935,466	300,935,466	Nil	Nil	Nil	300,935,466
Other Financial Liabilities:						
Non Current (Refer Note No. 25)	36,716,535	Nil	Nil	Nil	36,716,535	36,716,535
Current (Refer Note No. 29)	102,632,979	102,632,979	Nil	Nil	Nil	102,632,979
Trade Payables (Refer Note No. 28)	432,760,353	432,760,353	Nil	Nil	Nil	432,760,353
Total	889,967,064	836,328,798	14,500,275	2,421,455	36,716,535	889,967,063

(Amount in ₹)

Contractual maturities of financial liabilities as at March 31, 2018	Carrying Amount	Contractual Cash Flows				Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	
Borrowings:						
Non Current (Refer Note No. 24)	69,268,978	Nil	40,866,457	28,402,521	Nil	69,268,978
Current (Refer Note No. 27)	485,470,905	485,470,905	Nil	Nil	Nil	485,470,905
Other Financial Liabilities:						
Non Current (Refer Note No. 25)	36,411,138	Nil	Nil	Nil	36,411,138	36,411,138
Current (Refer Note No. 29)	101,758,586	101,758,586	Nil	Nil	Nil	101,758,586
Trade Payables (Refer Note No. 28)	434,164,471	434,164,471	Nil	Nil	Nil	434,164,471
Total	1,127,074,078	1,021,393,962	40,866,457	28,402,521	36,411,138	1,127,074,078

III Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk and commodity risk.

a) Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group's foreign exchange risk arises mainly from following activities:

Foreign currency revenues and expenses (primarily in USD and EURO) : A portion of the Group's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Group's revenues measured in Indian Rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. As of March 31, 2019, the Group had entered into derivative contracts of ₹ 5,92,26,103/- (PY. ₹ 8,33,02,611/-) to hedge exposure to fluctuations in foreign currency risk. The below sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

The Group does not use derivative financial instruments for trading or speculative purposes.

i) The following table analyses foreign currency risk from non-derivative financial instruments as at each balance sheet date:

Particulars	Currency	As at March 31, 2019 ₹	As at March 31, 2018 ₹
a) Trade Receivables (Against Export)	USD	6,543,618	4,413,864
	INR	452,630,531	287,095,823
	EURO	434,657	385,362
	INR	33,772,849	31,068,731
b) Trade Payables (Against import - including capital import)	USD	146,636	13,600
	INR	10,143,003	884,600
c) Non-Current borrowing (External Commercial Borrowings - including current maturities)	USD	Nil	813,208
	INR	Nil	52,894,382
d) Other Current Financial Liability (Interest accrued but not due on borrowing)	USD	Nil	68,103
	INR	Nil	4,429,721
Net Statement of Financial Exposure (a-b-c-d)	USD	6,396,982	3,518,953
	INR	442,487,529	228,887,120
	EURO	434,657	385,362
	INR	33,772,849	31,068,731

Note - Figures in bracket denotes credit balance.

ii) Foreign Currency Risk Sensitivity

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD and Euro currencies). The same is summarized as below:

Particulars	Year Ended March 31, 2019 ₹		Year Ended March 31, 2018 ₹	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	22,124,376	(22,124,376)	11,444,356	(11,444,356)
EURO	1,688,642	(1,688,642)	1,553,437	(1,553,437)
Total	23,813,019	(23,813,019)	12,997,793	(12,997,793)

b) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates related primarily to the Group's short-term borrowings with floating interest rates.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

i) Exposure to interest rate risk

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Fixed Rate Borrowings	7,459,172	5,267,362
Variable Rate Borrowings	328,627,774	607,596,057
Total	336,086,946	612,863,418

For details of the Group's short-term and long term loans and borrowings including interest rate profiles, refer to Note No. 24 and 27 of these consolidated financial statements.

ii) Interest Rate Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
50bp increase would decrease the profit before tax by	(1,643,139)	(3,037,980)
50bp decrease would increase the profit before tax by	1,643,139	3,037,980

c) Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2019, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

50 Capital Management:

The Group's capital management is intended to maximise the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Group and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance.

The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Non Current Borrowing (Refer Note No. 24)	16,921,731	69,268,978
Current Borrowing (Refer Note No. 27)	300,935,466	485,470,905
Current maturity of long term borrowing (Refer Note No. 29)	18,229,749	58,123,535
Total Borrowing	336,086,946	612,863,418
Cash and cash equivalents	(54,567,985)	(65,679,016)
Net debt	281,518,961	547,184,402
Equity	2,696,996,877	2,245,444,601
Net debt to equity ratio	0.10	0.24

51 Details of Payment to Auditors

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Payment to auditors:		
To Statutory Auditor:		
Audit fee	760,000	750,000
Taxation matters	350,000	350,000
Total	1,110,000	1,100,000

52 Interest in Subsidiaries:
52.1 Subsidiaries:

The group's subsidiaries at March 31, 2019 and March 31, 2018 are set out below:

Name of entity	Place of business	Principal activities	As at March 31, 2019	As at March 31, 2018
Lincoln Parenteral Limited	India	Manufacturing and trading of Pharmaceutical Products		
Ownership Interest Held by the Company			98.58%	98.58%
Ownership interest held by non-controlling interests			1.42%	1.42%
Zullinc Healthcare LLP	India	Manufacturing and trading of Pharmaceutical Products		
Ownership Interest Held by the Company			100%	100%
Ownership interest held by non-controlling interests			0%	0%
Savebux Enterprise Private Limited (Formerly known as Savbux Finance and Investment Private Limited)	India	Trading of Pharmaceutical Products		
Ownership Interest Held by the Company			100%	100%
Ownership interest held by non-controlling interests			0%	0%

52.2 Details of subsidiaries and non-controlling interest:

Set out below is summarised financial information of subsidiaries. The amounts disclosed for each subsidiary are before inter-company eliminations.

(i) Summarised Balance Sheet of subsidiaries as at each balance sheet date:

Particulars	As at March 31, 2019		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprise Pvt. Ltd. (Formerly known as Savbux Finance and Investment Pvt. Ltd.)
Current assets	283,045,736	161,820,769	21,608,420
Current liabilities	129,904,125	161,320,769	1,102,079
Net Current assets / (liabilities)	153,141,611	500,000	20,506,341
Non-current assets	261,760,755	Nil	Nil
Non-current liabilities	180,680,540	Nil	Nil
Net Non-current assets / (liabilities)	81,080,215	Nil	Nil
Net Assets	234,221,826	500,000	20,506,341
Accumulated Non-controlling interest	3,551,540	Nil	Nil

Particulars	As at March 31, 2018		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprise Pvt. Ltd. (Formerly known as Savbux Finance and Investment Pvt. Ltd.)
Current assets	387,161,504	149,971,411	20,336,573
Current liabilities	267,456,738	149,486,411	94,093
Net Current assets / (liabilities)	119,704,766	485,000	20,242,480
Non-current assets	260,501,693	15,000	Nil
Non-current liabilities	166,199,948	Nil	Nil
Net Non-current assets / (liabilities)	94,301,745	15,000	Nil
Net Assets	214,006,511	500,000	20,242,480
Accumulated Non-controlling interest	3,265,090	Nil	Nil

(ii) Summarised Statement of Profit and Loss of subsidiaries during each financial year:

Particulars	For the year ended March 31, 2019		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprise Pvt. Ltd. (Formerly known as Savbux Finance and Investment Pvt. Ltd.)
Revenue	510,823,421	35,034,815	1,221,664
Profit for the year	20,318,621	1,082,048	263,861
Other Comprehensive Income	(103,305)	Nil	Nil
Profit / (loss) attributable to Non-controlling interest	287,634	Nil	Nil
Other Comprehensive Income attributable to Non-controlling interest	(1,462)	Nil	Nil
Total comprehensive income attributable to Non-controlling interest	286,172	Nil	Nil

Particulars	For the year ended March 31, 2018		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprise Pvt. Ltd. (Formerly known as Savbux Finance and Investment Pvt. Ltd.)
Revenue	720,525,228	305,996,977	327,812
Profit for the year	19,120,534	826,881	242,480
Other Comprehensive Income	68,112	Nil	Nil
Profit / (loss) attributable to Non-controlling interest	264,506	Nil	Nil
Other Comprehensive Income attributable to Non-controlling interest	964	Nil	Nil
Total comprehensive income attributable to Non-controlling interest	265,470	Nil	Nil

(iii) Summarised Cash Flows of subsidiaries:

Particulars	For the year ended March 31, 2019		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprise Pvt. Ltd. (Formerly known as Savbux Finance and Investment Pvt. Ltd.)
Cash flows from operating activities	39,083,834	204,748	74,854
Cash flows from investing activities	19,754,030	15,000	Nil
Cash flows from financing activities	(58,836,472)	(13,628)	Nil
Net increase/ (decrease) in cash and cash equivalents	1,393	206,120	74,854

Particulars	For the year ended March 31, 2018		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprise Pvt. Ltd. (Formerly known as Savbux Finance and Investment Pvt. Ltd.)
Cash flows from operating activities	53,225,574	125,356	(19,991,239)
Cash flows from investing activities	18,499,017	Nil	20,000,000
Cash flows from financing activities	(72,459,028)	(14,753)	Nil
Net increase/ (decrease) in cash and cash equivalents	(734,437)	110,603	8,761

53. Research and development expenditure:

The Group's in house R&D unit has been approved by Government of India, Ministry of Science & Technology, Department of Scientific and Industrial Research, New Delhi. The Group's in house R&D unit is also approved for weighted deduction U/S 35(2) and (2AB) of the Income Tax act, 1961.

Details of Capital & Revenue Expenditure of R&D unit incurred during the year is as below:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Capital	Revenue	Capital	Revenue
Plant & Machinery	32,063,300	Nil	35,314,069	Nil
Electrical Equipment	1,025,337	Nil	359,000	Nil
Furniture & Fixture	1,326,288	Nil	43,604	Nil
Personnel Expenses	Nil	30,821,537	Nil	28,942,390
Material Consumption	Nil	27,606,919	Nil	10,400,115
Manufacturing expense	Nil	28,695,980	Nil	22,653,987
Administration Expenses	Nil	2,258,270	Nil	6,484,642
Total Amount Eligible for deduction U/s 35 (2AB) of the Income Tax act, 1961.	34,414,925	89,382,705	35,716,673	68,481,135
Capital WIP	10,981,391	Nil	135,741	Nil
Total Amount Eligible U/s 35 (2) of the Income Tax act, 1961.	10,981,391	Nil	135,741	Nil
Total	45,396,316	89,382,705	35,852,414	68,481,135

54. Earnings Per Share (EPS)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	₹	₹
Net Profit / (Loss) for calculation of basic / diluted EPS	487,100,597	346,229,576
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	20,000,000	20,000,000
Basic and Diluted Earnings/(Loss) Per Share	24.36	17.31
Nominal Value of Equity Shares	24.36	17.31

A. Reconciliation on Amount of EPS

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	₹	₹
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	24.36	17.31
Total basic earnings per share attributable to the equity holders of the company	24.36	17.31
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	24.36	17.31
Total diluted earnings per share attributable to the equity holders of the company	24.36	17.31

B. Reconciliations of earnings used in calculating earnings per share

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	₹	₹
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	487,100,597	346,229,576
(b) Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company:		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	487,100,597	346,229,576

C. Weighted average number of shares used as the denominator

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a) Basic earnings per share		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,000,000	20,000,000
(b) Diluted earnings per share		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	20,000,000	20,000,000

D. Increase / decrease in EPS due to retrospective restatement of prior period error

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a) Basic earnings per share	Nil	0.10
(b) Diluted earnings per share	Nil	0.10

55. Related Parties Disclosures
(i) List of related parties:

Name of related party	Nature of relationship
Key Managerial Personnel:	
Mahendra G Patel	Managing Director
Ashish R Patel	Whole-Time Director
Hasmukh I Patel	Whole-Time Director
Munjal M Patel	Whole-Time Director
Rajnikant G Patel	Director
Arvinbhai G Patel	Director
Ishwarlal A Patel	Director
Darshit A Shah	Chief Financial Officer
Bhavik P Parikh	Company Secretary
Entities in which Key managerial personnel:	
Avis Travels	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Finance Pvt Ltd	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Travels LLP	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Travels Pvt Ltd	Entity controlled by Key Managerial Personnel/ or their relatives
Sunmed corporation LLP	Entity controlled by Key Managerial Personnel/ or their relatives
Shardaben gulabdas Patel Public Charitable Trust	Entity controlled by Key Managerial Personnel/ or their relatives
Shree Corporation	Entity controlled by Key Managerial Personnel/ or their relatives
Relatives of Key Managerial Personnel:	
Anand A Patel	Son of Mr. Arvinbhai G Patel
Ashish R Patel HUF	HUF of Mr. Ashish R Patel
Arvind G Patel	Father of Mr. Anand A Patel
Dharmisthaben H Patel	Wife of Mr. Hasumukh I Patel
Hansaben A Patel	Wife of Mr. Arvinbhai G Patel
Jigar H Patel	Son of Mr. Hasumukh I Patel
Mansi M Patel	Wife of Mr. Munjal M Patel
Mahendra G Patel HUF	HUF of Mr. Mahendra G Patel
Munjal M Patel HUF	HUF of Mr. Munjal M Patel
Nidhi M Patel	Daughter of Mr. Mahendra G Patel
Aniruddh H Patel	Son of Mr. Hasumukh I Patel
Shardaben G Patel	Mother of Mr. Mahendra G Patel, Mr. Rajnikant G Patel & Mr. Arvinbhai G Patel
Shivani B Shah	Wife of Mr. Ashish R Patel
Siddarth R Patel	Son of Mr. Rajnikant G Patel
Kailashben M Patel	Wife of Mr. Mahendra G Patel
Kalpanaben R Patel	Wife of Mr. Rajnikant G Patel

(ii) Transactions during the period and balances outstanding with related parties are as under:

Transactions with related parties during the year:

Name of related party	Nature of Transaction	Year Ended March 31, 2019 ₹	Year Ended March 31, 2014 ₹
Avis Travels	Travelling expenses	589,367	9,392,586
Downtown Finance Pvt Ltd	Interest expenses	Nil	663,842
	Dividend Paid	159,000	127,200
	Loan repaid	597,458	14,185,000
	Loan taken	Nil	3,028,285
Downtown Travels LLP	Travelling expenses	926,440	1,209,989
	Dividend Paid	712,500	712,500
Downtown Travels Pvt Ltd	Loan repaid	Nil	768,534
Sunmed Corporation LLP	Commission	590,000	23,260
	Dividend Paid	750,000	600,000
Shardaben Gulabdas Patel Public Charitable Trust	CSR contribution	5,280,500	3,500,000
Shree Corporation	Commission	Nil	1,850,000
	Advance Received back	242,500	Nil
	Advance given	1,258,750	242,500
Ashish R Patel HUF	Commission	Nil	1,500,000
Mahendra G Patel HUF	Advance given	Nil	1,140,000
	Commission	4,730,000	1,190,000
Munjal M Patel HUF	Commission	4,730,000	600,000
	Advance for Expense - Repaid	190,000	Nil
	Advance given	Nil	570,000
Rajani G Patel HUF	Sales commission expense	Nil	400,000
Anand A Patel	Remuneration	1,111,886	1,092,476
Ashish R Patel	Remuneration	3,350,166	3,210,841
	Sales commission expense	Nil	1,850,000
Hasmukh I Patel	Remuneration	2,374,414	2,288,302
	Advance Repaid	Nil	2,500,000
	Dividend Paid	560,400	448,320
Mahendra G Patel	Remuneration	1,857,142	1,811,719
	Rent	750,000	665,000
	Advance for Expense	Nil	570,000
	Advance Settled	570,000	Nil
	Dividend Paid	414,750	331,800
Mansi M Patel	Sales commission expense	Nil	1,000,000
	Remuneration	1,688,540	810,000
Munjal M Patel	Remuneration	2,069,620	2,003,605
	Dividend Paid	885,750	708,600
Rajani G Patel	Remuneration	1,280,940	336,795
	Dividend Paid	458,100	366,480
	Commission	Nil	1,900,000
Arvind G Patel	Consultancy Fees	840,000	840,000
Darshit A Shah	Remuneration	697,294	601,884

Name of related party	Nature of Transaction	Year Ended March 31, 2019 ₹	Year Ended March 31, 2014 ₹
Bhavik P Parikh	Remuneration	153,434	151,470
Mansi A Patel	Remuneration	1,068,540	1,048,800
Kailashben M Patel	Rent	1,250,000	1,180,000
	Remuneration	910,020	820,000
	Dividend Paid	120,000	96,000
Kalpanaben R Patel	Commission	Nil	1,900,000
	Remuneration	455,028	624,167
	Dividend Paid	439,650	351,720
Anand A Patel	Dividend Paid	198,000	158,400
Arvindbhai G Patel	Dividend Paid	166,500	133,200
Ashish R Patel	Dividend Paid	794,703	635,762
Dharmisthaben H Patel	Dividend Paid	97,505	78,004
Hansaben A Patel	Dividend Paid	175,800	140,640
Ishwarlal A Patel	Dividend Paid	75,600	60,480
Jigar H Patel	Dividend Paid	76,800	61,440
Mansi M Patel	Dividend Paid	1,200,000	960,000
Nidhi M Patel	Dividend Paid	81,000	64,800
Aniruddh H Patel	Dividend Paid	76,800	61,440
Nishit M Patel	Dividend Paid	272,850	218,280
Shardaben G Patel	Dividend Paid	47,100	37,680
Shivani B Shah	Dividend Paid	303,000	242,400
Siddarth R Patel	Dividend Paid	630,002	504,001

Balances outstanding at each reporting date:

Particulars		As at March 31, 2019 ₹	As at March 31, 2018 ₹
Downtown Finance Pvt Ltd:			
Intercompany deposits	Current borrowings	Nil	(597,458)
Loans given	Non-current loans	Nil	Nil
Outstanding payables	Trade payables	Nil	Nil
Sunmed corporation LLP:			
Advance to suppliers	Other current assets	9,950,000	11,125,000
Outstanding receivables	Trade receivables	Nil	(589,835)
Outstanding payables	Trade payables	Nil	Nil
Avis Travels	Trade payables	31	(320,130)
Downtown Travels LLP	Trade payables	(1,416,225)	(507,408)
Downtown Travels Pvt. Ltd.	Trade payables	Nil	(40,135)
Mahendra G Patel HUF	Trade payables	2,260,000	950,000
Munjal M Patel HUF	Trade payables	2,260,000	380,000
Ashish R Patel	Other current Financial Liability	237,248	Nil

Particulars		As at March 31, 2019 ₹	As at March 31, 2018 ₹
Mahendra G Patel	Trade payables	Nil	86,500
Munjal M Patel	Trade payables	Nil	175,815
Kailashben M Patel	Trade payables	Nil	(612,000)
Anand A Patel	Trade payables	(5,808)	(135,000)
Mansi A Patel	Trade payables	(9,748)	Nil
Arvind G Patel	Trade payables	(63,000)	(63,000)
Hasmukh I Patel	Other current Financial Liability	88,232	Nil
Bhavik P Parikh	Other current Financial Liability	12,291	Nil
Darshit A Shah	Other current Financial Liability	47,248	Nil

Note: Figures in bracket denotes credit balance.

56. Changes in Liabilities arising from Financial Activities

(Amount in ₹)

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Opening Balance	1,127,074,078	1,057,269,619
Cash inflow of non-current borrowings	Nil	Nil
Cash outflow of non-current borrowings	(92,241,033)	(66,968,925)
Changes in current borrowings cash flows	(184,535,439)	35,030,015
Changes in trade payable cash flows	(1,404,125)	110,201,571
Change in other current financial liability	38,299,813	(5,572,367)
Change in other non-current financial liability	305,397	1,792,224
Others	2,468,373	(4,678,059)
Closing Balance	889,967,064	1,127,074,078

57. Details Of Hedged And Unhedged Exposure in Foreign Currency Denominated Monetary Items

a Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	Number of Contracts	Sell Amount in Foreign Currency	Indian ₹ Equivalent
Forward contract to sell USD - As at 31/03/2019	3	2,666,425	59,226,103
Forward contract to sell USD - As at 31/03/2018	6	790,683	51,406,251
Forward contract to sell EURO - As at 31/03/2018	2	400,000	31,896,360

b Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2019 are as under:

Currency	Payable (In FC)		Receivable (In FC)	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
USD	146,636	13,600	6,543,618	4,413,864
EURO	Nil	Nil	434,657	385,362

Currency	Payable (In INR)		Receivable (In INR)	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
USD	10,143,003	884,600	452,630,531	287,095,823
EURO	Nil	Nil	33,772,849	31,068,731

58. Corporate Social Responsibility

Details of amount required to be spent by the Group towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 is stated as below:

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Gross amount required to be spent by the company during the year	7,450,000	5,622,344
Amount Spent during the year on		
(i) Construction/ Acquisition of any assets		
In Cash	Nil	Nil
Yet to be paid	Nil	Nil
(ii) On purpose other than (i) above		
In Cash	7,560,500	5,657,000
Yet to be paid	Nil	Nil

59. Due to Micro and Small Enterprise

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below:

Particulars	As At March 31, 2019 ₹	As At March 31, 2018 ₹
a) The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	36,541,835	Nil
b) Interest due thereon	1,180,338	Nil
c) Amount of interest paid by the Company in terms of section 16 of MSMED Act	Nil	Nil
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 2006	Nil	Nil
e) Amount of interest accrued and remaining unpaid at the end of accounting year	1,180,338	Nil
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company and the same has been relied by the Auditor.

**60. Assets Pledged as Security**

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are:

Particulars	As At March 31, 2019 ₹	As At March 31, 2018 ₹
Non-Current Assets		
Property Plant & Equipment	1,112,560,215	1,070,143,124
Total Non Current Assets pledged as Security	1,112,560,215	1,070,143,124
Current Assets		
Inventories	362,257,501	454,548,725
Financial Assets		
Investments	180,729,991	109,732,889
Trade Receivable	1,204,329,562	1,085,305,958
Cash and cash equivalents	53,277,758	64,669,763
Loans	17,500,020	49,723,903
Other Bank Balance	19,875,371	56,783,676
Other Financial Assets	10,757,010	9,464,004
Other Current Assets	230,123,321	334,681,584
Total Current Assets pledged as Security	2,078,850,534	2,164,910,502
Total Assets Pledged as Security	3,191,410,749	3,235,053,625

Note:

- Asset pledge as security by Parent Company of ₹ 2,81,70,54,194/- (PY ₹ 2,72,73,82,268/-), includes the Securities hypothecated with the bank for current and non-current borrowing by the company.
- Asset pledge as security by Subsidiary Company of ₹ 37,43,56,555/- (PY ₹ 50,76,75,357/-) includes the Securities hypothecated with the bank for current and non-current borrowing by the company. Further as on 31/03/2019 the company has repaid its entire current and non-current borrowings and Charge on Assets Pledged with the bank has been released on 2nd April, 2019.

61. Subsequent Events:

Subsequent to Balance sheet date, there are no events occurred which require disclosure or adjustment in the financial statement.

As per our report of even date attached herewith
In terms of our report attached.
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 30.05.2019

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

H.I. Patel (Whole Time Director) (DIN : 00104834)

D. A. Shah (Chief Financial Officer)

B. P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 30.05.2019

LINCOLN PHARMACEUTICALS LIMITED

Regd. Office: "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.

CIN: L24230GJ1995PLC024288; Ph: +91-79-67778000; Fax: +91-79-67778062;

Email-ID: info@lincolnpharma.com; Website: www.lincolnpharma.com.

ATTENDANCE SLIP

Folio No. / DP ID & Client ID : _____

Name & Address : _____

Name(s) of the Joint Holder(s), if any : _____

No. of shares held : _____

I /We hereby record my / our presence at the 25th Annual General Meeting of the members of the Company to be held on Monday, September 30, 2019 at 10:30 a.m. at Registered Office of the Company at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.

Full name of Proxy / Authorised Representative	
Member's / Proxy's / Authorised Representative's Signature	

Note:

1. A Member / Proxy / Authorised Representative needs to furnish duly signed 'Attendance Slip' along with a valid Identity proofs such as PAN Card, Passport, Aadhaar-Card or Driving License at the entrance of the meeting hall.
2. Shareholders are requested to indicate their Folio No., DP ID*, Client ID*, the Change in their address, if any, to the Registrar & Share Transfer Agents, at Link Intime India Private Limited.



LINCOLN PHARMACEUTICALS LIMITED

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Email-ID: info@lincolnpharma.com; Website: www.lincolnpharma.com.



FORM NO. MGT-11

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule 2014)

Name of the Member(s)	
Registered Address	
E-Mail ID	
Folio No. / Client ID / DP. ID	
No. of Shares	

I / we, being the member(s) of the above named company, hereby appoint:

(1) Name : _____ Address: _____

Email ID: _____ Signature: _____ or Failing him / her:

(2) Name : _____ Address: _____

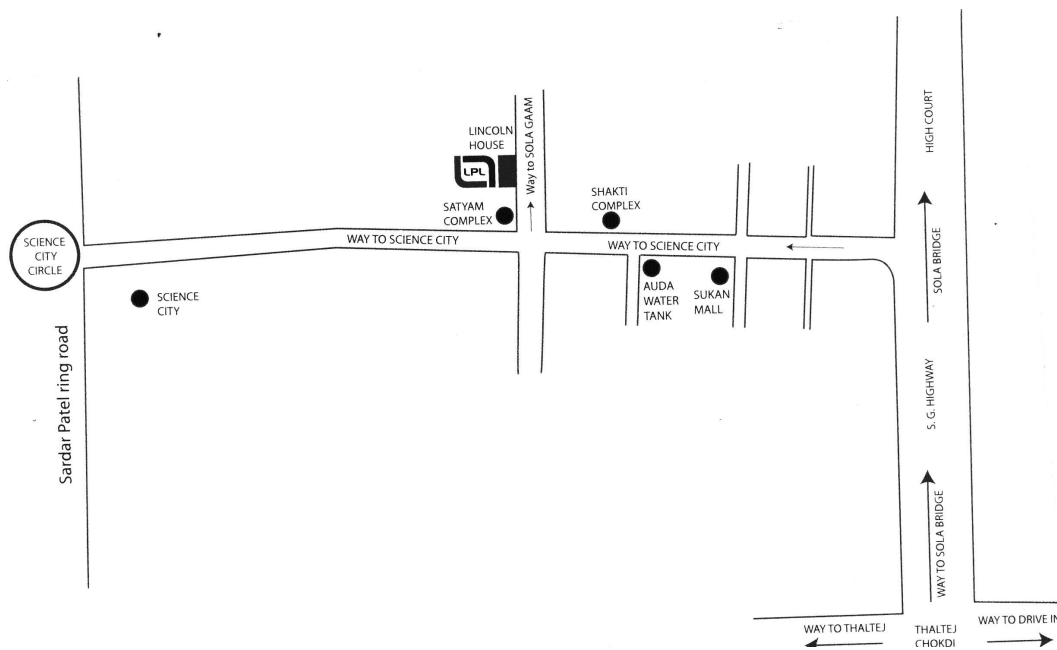
Email ID: _____ Signature: _____ or Failing him / her:

(3) Name : _____ Address: _____

Email ID: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060 on Monday, September 30, 2019, at 10:30 a.m., and at any adjournment thereof in respect of such resolutions as are indicated below:

ROUTE MAP OF AGM VENUE



** I wish my above proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
ORDINARY BUSINESSES:			
1.	To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Year Ended on March 31, 2019 and the Directors’ Report and Auditors’ Report thereon.		
2.	To Declare Dividend on Equity Shares for the Financial Year 2018-2019.		
3.	Re-Appointment of Mr Kishor M. Shah [DIN: 02769085], as a Director who retires by rotation.		
4.	Re-Appointment of Mr Ashish R. Patel [DIN: 01309017], as a Whole-Time Director who retires by rotation.		
SPECIAL BUSINESSES:			
5.	Re-Appointment of Mr Mahendra G. Patel [DIN: 00104706] as a Managing Director.		
6.	Re-Appointment of Mr Hashmukh I. Patel [DIN: 00104834] as the Whole Time Director.		
7.	Re-Appointment of Mr Munjal M. Patel [DIN: 02319308] as the Whole Time Director.		
8.	Re-Appointment of Mr Ashish R. Patel [DIN: 01309017] as the Whole Time Director.		
9.	Re-Appointment of Ms Meha Patel [DIN: 07254852] as an Independent Director of the Company.		
10.	Ratification of remuneration of M/s. Kiran J. Mehta & Co., Cost Accountants [FRN: 000025] for the Financial Year Ending on March 31, 2020.		

Signed this _____ day of _____ 2019

Signature of Shareholder _____

Signature of Proxy holder (s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. **It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Appointing the proxy does not prevent a shareholder from attending the meeting in person if he so wishes.
5. Please complete all details including details of member (s) in the above box before submission.

Affix
One Re.
Revenue
Stamp

SALPHYLLIN-M

Levocetirizine Hcl 2.5 mg +
Montelukast sodium 4 mg / 5ml Suspension

TRIXON-O

Cefixime 50 mg/ 5 ml, 100 mg /5ml dry Syrup
100 mg, 50 mg tablets 25 mg / ml Drops

SOLU-m

Mupirocin 2% Ointment 5 gm

Ellepra-M

Fexofenadine Hydrochloride 120 mg +
Montelukast 10 mg Tablets

SERTALIN

Sertaconazole 2 %w/w Cream 10 gm / 30 gm

Calalin

Calamine 8% w/w + liq paraffin 10% w/w +
Aloe vera Lotion

KEZOLIN

Ketoconazole 2% w/w + Pyrithione zinc 1% w/w Gel

Ovalink SR

Dehydroepiandrosterone (Micronized) 75 mg SR +
Folic Acid 5 mg + Vitamin D₃ 3000 IU Tablets

SALPHYLLIN

Ambroxol HCl 7.5 mg + Levosalbutamol Sulphate 0.25 mg +
Guaiphenesin 12.5 mg/ml Drops

PROGUT

Bacillus Clausis spores 2 billion Spores

Fertilink

Myo Inositol 550mg + D-Chiro-Inositol 150mg + Folic Acid 1.5mg +
Vitamin D₃ 200 IU Tablet

ITRALIN 100 & 200

Itraconazole 100 mg/ 200 mg Capsule / Itraconazole 400 mg SR Tablets

ZOLU

Luliconazole 1% Cream 10 gm / 30 gm



INFINITY-HS/YS/DS

ANTI-DANDRUFF SHAMPOO / YOUTH SERUM /
ANTI-HAIRFALL SERUM

L-BEX-OD⁺

Nicotinamide 100mg + Chromium Picolinate 200mcg + Methylcobalamin 1500mcg + Folic Acid 1.5mg +
Pyridoxine HCL 3mg + Alpha Lipoic Acid 100mg + Vitamin D₃ 1000IU Tablet

FETON[®]

Ferrous Bisglycinate eq to 60 mg of elemental Iron + Zinc Bisglycinate eq to
15 mg elemental Zinc + Folic Acid 1.5 mg + Methylcobalamin 500 mcg Tablet



REGISTERED OFFICE

"LINCOLN HOUSE"
Behind Satyam Complex, Science City Road,
Sola, Ahmedabad-380 060 (Guj.) India
Phone : +91-079-41078000 | Fax : +91-079-41078062
CIN L24230GJ1995PLC024288
E-mail : info@lincolnpharma.com
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PLANT

10, 12, 13, Trimul Estate,
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